CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374
Wednesday, March 2, 2022 @ 3:00 PM
COUNCIL CHAMBERS

A. Call To Order

B. Roll Call

C. Pledge of Allegiance

D. Current Events and Reports

E. Staff Reports

F. Health Benefits Trust Fund Board Agenda

CALL TO THE PUBLIC:

INSTRUCTIONS: In order to address the Board\Commission, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the Secretary before the meeting begins.

Note: A.R.S. 38-431.01(H) - During this time members of the public may address the Board\Commission only on issues within the jurisdiction of the Board\Commission which are not an item on the agenda. At the conclusion of the open call, the Board\Commission may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

CONSENT AGENDA:

1.	Citywide	Consideration and action pertaining to the approval of the December 1, 2021 Health Beneifts Trust Fund Board meeting minutes.	Finance

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

2.	Citywide	Presentation and discussion pertaining to CBIZ Consulting FY2022 2nd Quarter Report.	None Donna Meuse Human Resources
3.	Citywide	Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2022 2nd Quarter.	None Andrea Davis Finance
4.	Citywide	Consider and action pertaining to approval of the recommended FY2023 Health Benefit Trust Fund Budget.	Andrea Davis Finance
5.	Citywide	Consideration and action pertaining to approval of the FY2023 Workers' Compensation Plan Budget.	Digger Oster Legal

G. Other Business and Future Agenda Items

Legislative Update

H. Executive Session

For information purposes: Upon a public majority vote of a quorum (“Commission”), the Commission may hold an executive session, which will not be open to the public, but for only the following purposes: discussion or consideration of records exempt by law from public inspection (A.R.S. §38-431.03(A)(2));

or discussion or consultation for legal advice with the attorney or attorneys of the public body (A.R.S. §38-431.03(A)(3)).

Confidentiality Requirements: Pursuant to A.R.S. §38-431.03(C)(D), any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney or by agreement of the Commission, or as otherwise ordered by a court of competent jurisdiction.

The Commission may vote to hold an executive session for the purpose of obtaining legal advice from the Commission's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

I. Adjournment

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED: Wednesday, February 23, 2022 @ 12:30 p.m.

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.

CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: March 2, 2022
Submitting Department: Finance
Staff Recommendations:

Contact Person:
District: Citywide

Consent: Yes   Regular: No   Public Hearing: No   Report/Discussion: No

Agenda Wording:
Consideration and action pertaining to the approval of the December 1, 2021 Health Beneifts Trust Fund Board meeting minutes.

Motion:
I move to approve the December 1, 2021 Health Benefits Trust Fund Board meeting minutes.

Background:
Attached are the minutes from the December 1, 2021 meeting.

Objective Analysis:

Policy Compliant:

Financial Impact:
No financial impact.

Budget Impact:
FTE Impact:

ATTACHMENTS:
1. HBTF MINUTES 12.01.21 Draft

CITY OF SURPRISE

HEALTH BENEFITS TRUST FUND BOARD
16000 North Civic Center Plaza
Surprise, AZ 85374

December 1, 2021

MEETING MINUTES

CALL TO ORDER

Vice Chair Renee Pastor called the Health Benefits Trust Fund Meeting to order at 4:01 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, December 1, 2021.

ROLL CALL

In attendance were Chair Renee Pastor, Vice Chair William Coniam, Board Member Candice Rachal, and Board Member Andrea Davis.

STAFF PRESENT:

Donna Meuse, Human Resources Director; Paige Gearhart, Human Resources Manager; Lindsey Steinhoff, Human Resources Analyst - Senior; Digger Oster, Risk Manager - Senior; Michelle Casciato, Risk/Safety Analyst; Thomas Partin, Workers' Comp Senior Claims Adjuster; Jennifer LaRoque, Public Safety Legal Attorney; Jennifer Medina, Financial Management Analyst – Senior; Julie Ralls, Accountant – Senior; Laura Roybal, Administrative Services Assistant.

PLEDGE OF ALLEGIANCE

CURRENT EVENTS REPORT

None

STAFF REPORT

None

CALL TO THE PUBLIC

None

CONSENT AGENDA

Item 1: Consideration and action pertaining to the approval of the March 3, 2021 and August 25, 2021 Health Benefits Trust Fund Board Meeting Minutes.

- Board Member Coniam made a motion to approve the minutes. Board Member Rachal seconded the motion. Motion passed.

REGULAR AGENDA ITEMS NOT REQUIRING A PUBLIC HEARING

Item 2: Presentation and discussion pertaining to CBIZ Consulting FY2022 1st Quarter Report.

- Michael Barberio presented CBIZ Consulting's FY2022 1st Quarter Report.
- Melissa Barbakoff gave a summary of the COVID-19 statistics for the City – testing, confirmed cases, and total cost to the plan through FY2022 1st Quarter.
- Mike Zucarelli presented the city's pharmacy spend and rebate summary.

Item 3: Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Worker's Compensation Self Insurance Funds Financial Report for FY2021 4th Quarter and FY2022 1st Quarter.

- Andrea Davis, Finance Director, presented the FY2021 4th Quarter and FY2022 1st Quarter Financial Reports.

Item 4: Consideration and action pertaining to the Health Benefit Trust Fund Board Annual Calendar for 2022.

- Board Member Rachal made a motion to approve the recommended Health Benefits Trust Fund Annual Calendar for 2022. Board Member Davis seconded the motion. Motion passed.

OTHER BUSINESS

Chairperson Pastor requested that a regular item be added to the agenda to discuss legislative activity.

ADJOURNMENT

Board Member Rachal made a motion to adjourn the meeting. Motion passed. Hearing no further business, Chairperson Renee Pastor adjourned the Health Benefits Trust Fund meeting at 4:35 p.m.

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Renee Pastor, Chair
Health Benefits Trust Fund Board

CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: March 2, 2022

Submitting Department: Human Resources

Staff Recommendations: None

Contact Person: Donna Meuse, Human Resources Director

District: Citywide

Consent: No   Regular: Yes   Public Hearing: No   Report/Discussion: No

Agenda Wording:

Presentation and discussion pertaining to CBIZ Consulting FY2022 2nd Quarter Report.

Motion:

None. Discussion only.

Background:

CBIZ Consulting will present the 2nd Quarter self-funded medical, dental, and vision report for FY2022 for the City. This report contains financial information and claims activity.

Objective Analysis:

Policy Compliant:

Financial Impact:

None at this time; however, topics in this presentation could lead to future actions which may have a fiscal impact on the fund's operation.

Budget Impact:

None at this time; however, topics in this presentation could lead to future actions which may have a fiscal impact on the fund's operation.

FTE Impact:

ATTACHMENTS:

1. City of Surprise Medical, Dental & Vision Experience 12 21
2. 2021-2022 City of Surprise PBM Summary thru December 2021

City of Surprise

Medical, Pharmacy, Dental & Vision Experience

Plan Year: *July 2021 – June 2022*

Month End: *December 2021*

Presented by your CBIZ Team

Mike Barberio, Branson Cobb, Melissa Barbakoff & Margaret Latham

our business is growing yours.

Executive Summary

Medical and Pharmacy

For the first two quarters of the 2021-2022 plan year, claims are performing at a higher rate than normal for the City of Surprise. The second quarter claims experience ran above 100%. The overall loss ratio is of 91.7% of expected claims cost and 76.1% of maximum claims cost. Pharmacy claims are running where we projected them to be at about $217,000 in claims a month. For a historical perspective of pharmacy claims the average pharmacy claim month through the first six months of 2020-2021 was $238,635 and in 2019-2020 it was $163,000.

Medical claims are running much higher than expected in the second quarter. This is not due to large claimants. The large claimants at this time appear to be right in line with your historical experience. For the same time period in 2020-2021 the City of Surprise had $1,067,266 in large claims dollars and for 2021-2022 through December large claims dollars are at $1,092,117. Below is a list of the drivers of the medical claim cost:

- Overall medical allowed amount is up 10% over the prior year, driven by a 17% increase in visits from a 7% increase in claimants.
- Outpatient utilization is up 48%.
- ER utilization is up 26% overall. Normally it is a few patients with high cost but the City's utilization is showing that this increase is many patients with average costs.*
- Professional services have increased by 13%.

*While we don't know the exact cause of the emergency room utilization increase many municipalities and businesses are seeing an increase in utilization due to COVID. Restricted hours and availability with Urgent Care facilities and primary care doctors have forced some to use the emergency room instead.

Gross run out claims through December were $566,458, after rebates and Stop Loss recoveries that amount drops to $205,300. With run out claims for the prior plan year mostly complete, the 2020-2021 plan year is finishing at 83.7% which is an excellent result.

Claim spend by individual plan design was:

- **HMO represents 55%, $1,380.60 PEPM**
- **PPO represents 32%, $1,073.88 PEPM**
- **EPO represents 13%, $743.85 PEPM**

There is one new large claimant that has emerged in the second quarter that have exceeded the $100,000 claims threshold. It is an acute incident and is not expected to be ongoing. No claims have exceeded the $250,000 Individual Stop Loss (ISL) level as of December 31, 2022. The large claimants represent 19.8% of overall claims.

Dental

Dental is running very similar to the 2020-2021 plan year. The current loss ratio is 91.7% with six months of claims. Historically, the City has higher claims the first quarter and then claim usage begins to come down. The first quarter average dental PEPM was $103.10 and the second quarter it has dropped to $71.84.

Vision

Vision claims have followed similar utilization patterns from prior years. Your vision claims are typically high the first three months of the plan year and then they become more stable. The overall vision loss ratio through December is 100.4%.

City of Surprise

Paid Claims and Administration

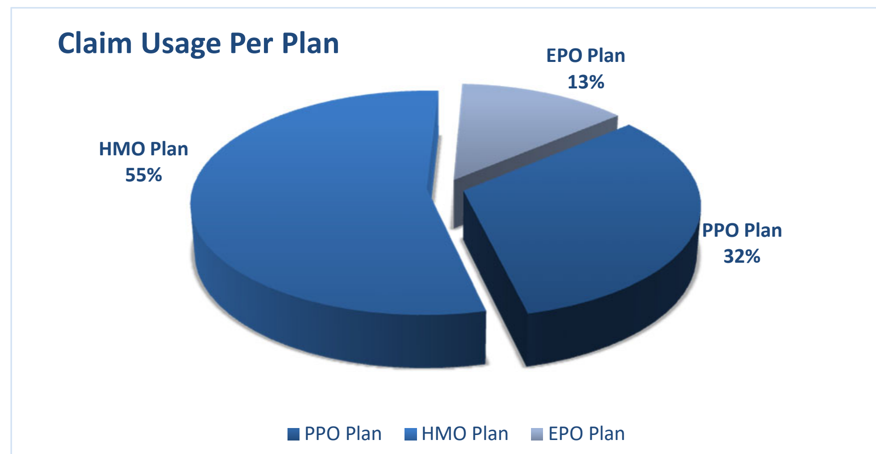
Plan Year: July 2021 to June 2022 (as of December 2021)

Incurred and Paid

	BlueCross BlueShield of Arizona and Optum Rx- All Plans													Loss Ratio		PEPM Costs				
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates & Performance Guarantees	Blue Card Claims Expense & Misc.	Capitation Fees	Value Based Services	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims & Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Paid Claims Net Stop Loss Reimburse-ment PEPM	Total Claims & Fees PEPM
Jul-21	795	$ 1,002,888	$ 1,209,887	$ 325,037	$ 195,921	$ -	$ 1,003	$ 7,035	$ 1,721	$ -	$ 530,717	$ 109,184	$ 639,901	52.9%	43.9%	$421.13	$246.44	$667.57	$667.57	$804.91
Aug-21	799	$ 1,010,908	$ 1,218,979	$ 661,061	$ 217,018	$ -	$ 1,090	$ 7,102	$ 1,629	$ -	$ 887,900	$ 109,734	$ 997,634	87.8%	72.8%	$839.65	$271.61	$1,111.26	$1,111.26	$1,248.60
Sep-21	803	$ 1,016,566	$ 1,225,523	$ 739,246	$ 218,170	$ -	$ 278	$ 7,082	$ 956	$ -	$ 965,732	$ 110,285	$ 1,076,017	95.0%	78.8%	$930.96	$271.69	$1,202.65	$1,202.65	$1,340.00
Oct-21	801	$ 1,012,259	$ 1,220,313	$ 841,360	$ 217,625	$ -	$ 1,408	$ 7,114	$ 3,132	$ -	$ 1,070,639	$ 110,010	$ 1,180,649	105.8%	87.7%	$1,064.94	$271.69	$1,336.63	$1,336.63	$1,473.97
Nov-21	805	$ 1,014,671	$ 1,223,214	$ 824,343	$ 249,799	$ -	$ 2,381	$ 7,094	$ 1,712	$ -	$ 1,085,328	$ 110,559	$ 1,195,887	107.0%	88.7%	$1,037.92	$310.31	$1,348.23	$1,348.23	$1,485.57
Dec-21	802	$ 1,010,836	$ 1,218,657	$ 811,101	$ 203,750	$ -	$ 1,600	$ 7,067	$ 1,567	$ -	$ 1,025,085	$ 110,147	$ 1,135,232	101.4%	84.1%	$1,024.11	$254.05	$1,278.16	$1,278.16	$1,415.50
Jan-22																				
Feb-22																				
Mar-22																				
Apr-22																				
May-22																				
Jun-22																				
Total	**4,805**	**$ 6,068,128**	**$ 7,316,573**	**$ 4,202,147**	**$ 1,302,282**	**$ -**	**$ 7,760**	**$ 42,494**	**$ 10,718**	**$ -**	**$ 5,565,401**	**$ 659,919**	**$ 6,225,319**	**91.7%**	**76.1%**	**$887.23**	**$271.03**	**$1,158.25**	**$1,158.25**	**$1,295.59**
Avg	**801**																			

Administrative Fees	PPO Plan			HMO Plan			EPO Plan		
	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family
Administration	$51.25	$51.25	$51.25	$51.25	$51.25	$51.25	$51.25	$51.25	$51.25
Specific Stoploss 12/24 $250,000 ISL	$81.35	$81.35	$81.35	$81.35	$81.35	$81.35	$81.35	$81.35	$81.35
Aggregate Stoploss (125%)	$5.10	$5.10	$5.10	$4.55	$4.55	$4.55	$4.55	$4.55	$4.55
Total Admin Fees	**$137.70**	**$137.70**	**$137.70**	**$137.15**	**$137.15**	**$137.15**	**$137.15**	**$137.15**	**$137.15**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$502.79**	**$1,143.26**	**$1,655.63**	**$525.26**	**$1,187.64**	**$1,717.60**	**$462.33**	**$1,061.80**	**$1,541.40**
Maximum Liability (ICAP)	**$717.77**	**$1,428.05**	**$1,996.26**	**$729.38**	**$1,451.31**	**$2,028.86**	**$614.12**	**$1,221.96**	**$1,708.26**



City of Surprise

Paid Claims and Administration

Plan Year: July 2021 to June 2022 (as of December 2021)

Incurred and Paid

BlueCross BlueShield of Arizona & Optum Rx - PPO Plan										Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-21	272	$ 326,593	$ 405,759	$ 166,715	$ 32,987	$ -	$ 199,702	$ 37,454	$ 237,156	61.1%	49.2%	$612.92	$121.27	$734.20	$871.90
Aug-21	275	$ 329,255	$ 409,190	$ 177,382	$ 58,514	$ -	$ 235,896	$ 37,868	$ 273,763	71.6%	57.6%	$645.02	$212.78	$857.80	$995.50
Sep-21	280	$ 334,074	$ 415,336	$ 216,023	$ 50,433	$ -	$ 266,456	$ 38,556	$ 305,012	79.8%	64.2%	$771.51	$180.12	$951.63	$1,089.33
Oct-21	277	$ 331,285	$ 411,762	$ 310,071	$ 48,163	$ -	$ 358,233	$ 38,143	$ 396,376	108.1%	87.0%	$1,119.39	$173.87	$1,293.26	$1,430.96
Nov-21	278	$ 333,325	$ 414,185	$ 293,965	$ 67,513	$ -	$ 361,479	$ 38,281	$ 399,759	108.4%	87.3%	$1,057.43	$242.85	$1,300.28	$1,437.98
Dec-21	278	$ 333,325	$ 414,185	$ 306,824	$ 54,044	$ -	$ 360,868	$ 38,281	$ 399,149	108.3%	87.1%	$1,103.68	$194.40	$1,298.09	$1,435.79
Jan-22															
Feb-22															
Mar-22															
Apr-22															
May-22															
Jun-22															
Total	**1,660**	**$ 1,987,857**	**$ 2,470,417**	**$ 1,470,979**	**$ 311,654**	**$ -**	**$ 1,782,633**	**$ 228,582**	**$ 2,011,215**	**89.7%**	**72.2%**	**$886.13**	**$187.74**	**$1,073.88**	**$1,211.58**
Avg	**277**														

Administrative Fees	PPO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	$51.25	$51.25	$51.25
Specific Stoploss 12/24 $250,000 ISL	$81.35	$81.35	$81.35
Aggregate Stoploss (125%)	$5.10	$5.10	$5.10
Total Admin Fees	**$137.70**	**$137.70**	**$137.70**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$502.79**	**$1,143.26**	**$1,655.63**
Maximum Liability (ICAP)	**$717.77**	**$1,428.05**	**$1,996.26**

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	82	57	133	272
August	84	57	134	275
September	87	57	136	280
October	86	55	136	277
November	87	52	139	278
December	87	52	139	278
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	**513**	**330**	**817**	**1,660**

City of Surprise

Paid Claims and Administration

Plan Year: July 2021 to June 2022 (as of December 2021)

Incurred and Paid

BlueCross BlueShield of Arizona & Optum Rx - HMO Plan										Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-21	366	$ 502,516	$ 605,106	$ 123,955	$ 114,783	$ -	$ 238,738	$ 50,197	$ 288,935	47.5%	39.5%	$338.68	$313.61	$652.29	$789.44
Aug-21	366	$ 503,576	$ 606,262	$ 432,244	$ 140,859	$ -	$ 573,103	$ 50,197	$ 623,300	113.8%	94.5%	$1,180.99	$384.86	$1,565.85	$1,703.00
Sep-21	362	$ 500,150	$ 601,900	$ 472,538	$ 118,337	$ -	$ 590,876	$ 49,648	$ 640,524	118.1%	98.2%	$1,305.35	$326.90	$1,632.25	$1,769.40
Oct-21	361	$ 497,108	$ 598,427	$ 400,212	$ 118,765	$ -	$ 518,978	$ 49,511	$ 568,489	104.4%	86.7%	$1,108.62	$328.99	$1,437.61	$1,574.76
Nov-21	359	$ 493,010	$ 593,648	$ 422,101	$ 156,846	$ -	$ 578,947	$ 49,237	$ 628,184	117.4%	97.5%	$1,175.77	$436.90	$1,612.66	$1,749.81
Dec-21	357	$ 490,238	$ 590,312	$ 393,620	$ 103,027	$ -	$ 496,646	$ 48,963	$ 545,609	101.3%	84.1%	$1,102.58	$288.59	$1,391.17	$1,528.32
Jan-22															
Feb-22															
Mar-22															
Apr-22															
May-22															
Jun-22															
Total	**2,171**	**$ 2,986,598**	**$ 3,595,655**	**$ 2,244,671**	**$ 752,617**	**$ -**	**$ 2,997,287**	**$ 297,753**	**$ 3,295,040**	**100.4%**	**83.4%**	**$1,033.93**	**$346.67**	**$1,380.60**	**$1,517.75**
Avg	**362**														

Administrative Fees	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	$51.25	$51.25	$51.25
Specific Stoploss 12/24 $250,000 ISL	$81.35	$81.35	$81.35
Aggregate Stoploss (125%)	$4.55	$4.55	$4.55
Total Admin Fees	**$137.15**	**$137.15**	**$137.15**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$525.26**	**$1,187.64**	**$1,717.60**
Maximum Liability (ICAP)	**$729.38**	**$1,451.31**	**$2,028.86**

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	72	76	218	366
August	72	74	220	366
September	70	72	220	362
October	72	70	219	361
November	73	69	217	359
December	72	70	215	357
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	**431**	**431**	**1,309**	**2,171**

City of Surprise

Paid Claims and Administration

Plan Year: July 2021 to June 2022 (as of December 2021)

Incurred and Paid

BlueCross BlueShield of Arizona & Optum Rx - EPO Plan										Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-21	157	$ 173,778	$ 199,023	$ 34,367	$ 48,151	$ -	$ 82,518	$ 21,533	$ 104,051	47.5%	41.5%	$218.90	$306.69	$525.60	$662.75
Aug-21	158	$ 178,077	$ 203,527	$ 51,435	$ 17,645	$ -	$ 69,080	$ 21,670	$ 90,750	38.8%	33.9%	$325.54	$111.68	$437.21	$574.36
Sep-21	161	$ 182,342	$ 208,287	$ 50,684	$ 49,400	$ -	$ 100,084	$ 22,081	$ 122,165	54.9%	48.1%	$314.81	$306.83	$621.64	$758.79
Oct-21	163	$ 183,866	$ 210,123	$ 131,076	$ 50,697	$ -	$ 181,773	$ 22,355	$ 204,129	98.9%	86.5%	$804.15	$311.02	$1,115.17	$1,252.32
Nov-21	168	$ 188,336	$ 215,382	$ 108,277	$ 25,440	$ -	$ 133,716	$ 23,041	$ 156,758	71.0%	62.1%	$644.50	$151.43	$795.93	$933.08
Dec-21	167	$ 187,274	$ 214,160	$ 110,657	$ 46,679	$ -	$ 157,336	$ 22,904	$ 180,240	84.0%	73.5%	$662.62	$279.52	$942.13	$1,079.28
Jan-22															
Feb-22															
Mar-22															
Apr-22															
May-22															
Jun-22															
Total	**974**	**$ 1,093,673**	**$ 1,250,501**	**$ 486,497**	**$ 238,011**	**$ -**	**$ 724,508**	**$ 133,584**	**$ 858,092**	**66.2%**	**57.9%**	**$499.48**	**$244.36**	**$743.85**	**$881.00**
Avg	**162**														

Administrative Fees	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	$51.25	$51.25	$51.25
Specific Stoploss 12/24 $250,000 ISL	$81.35	$81.35	$81.35
Aggregate Stoploss (125%)	$4.55	$4.55	$4.55
Total Admin Fees	**$137.15**	**$137.15**	**$137.15**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$462.33**	**$1,061.80**	**$1,541.40**
Maximum Liability (ICAP)	**$614.12**	**$1,221.96**	**$1,708.26**

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	53	23	81	157
August	50	24	84	158
September	49	27	85	161
October	50	28	85	163
November	53	28	87	168
December	53	27	87	167
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	**308**	**157**	**509**	**974**

City of Surprise

Paid Claims and Administration

Plan Year: July 2020 to June 2021 (as of December 2021)

Incurred and Paid

BlueCross BlueShield of Arizona and Optum Rx- All Plans														Loss Ratio		PEPM Costs				
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates & Performance Guarantees	Blue Card Claims Expense & Misc.	Capitation Fees	Value Based Services	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims & Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Paid Claims Net Stop Loss Reimburse-ment PEPM	Total Claims & Fees PEPM
Jul-20	776	$ 942,700	$ 1,201,885	$ 298,418	$ 206,976	$ -	$ 760	$ 6,988	$ 1,846	$ -	$ 514,988	$ 105,420	$ 620,408	54.6%	42.8%	$396.92	$266.72	$663.64	$663.64	$799.49
Aug-20	774	$ 938,912	$ 1,197,241	$ 636,398	$ 216,421	$ -	$ 1,026	$ 6,959	$ 1,783	$ -	$ 862,586	$ 105,148	$ 967,735	91.9%	72.0%	$834.84	$279.61	$1,114.45	$1,114.45	$1,250.30
Sep-20	782	$ 944,205	$ 1,204,302	$ 437,593	$ 338,591	$ -	$ 1,444	$ 6,982	$ 1,771	$ -	$ 786,381	$ 106,235	$ 892,615	83.3%	65.3%	$572.62	$432.98	$1,005.60	$1,005.60	$1,141.45
Oct-20	781	$ 943,305	$ 1,203,191	$ 461,606	$ 277,626	$ -	$ 1,097	$ 6,988	$ 1,755	$ -	$ 749,072	$ 106,101	$ 855,173	79.4%	62.3%	$603.64	$355.47	$959.12	$959.12	$1,094.97
Nov-20	780	$ 946,776	$ 1,206,512	$ 460,053	$ 209,716	$ -	$ 1,088	$ 7,014	$ 1,758	$ -	$ 679,629	$ 105,962	$ 785,592	71.8%	56.3%	$602.45	$268.87	$871.32	$871.32	$1,007.17
Dec-20	781	$ 946,386	$ 1,206,052	$ 598,192	$ 182,483	$ -	$ 1,167	$ 7,038	$ 1,737	$ -	$ 790,618	$ 106,098	$ 896,716	83.5%	65.6%	$778.66	$233.65	$1,012.32	$1,012.32	$1,148.16
Jan-21	785	$ 949,365	$ 1,209,970	$ 624,716	$ 196,363	$ (133,529)	$ 1,130	$ 7,014	$ 1,727	$ -	$ 697,422	$ 106,641	$ 804,063	73.5%	57.6%	$808.39	$250.14	$888.44	$888.44	$1,024.28
Feb-21	782	$ 948,023	$ 1,207,791	$ 573,157	$ 221,134	$ -	$ 1,227	$ 7,041	$ 1,727	$ (1,092)	$ 803,194	$ 106,234	$ 909,428	84.7%	66.5%	$745.72	$282.78	$1,028.50	$1,027.10	$1,162.95
Mar-21	780	$ 942,879	$ 1,201,328	$ 1,180,234	$ 190,143	$ -	$ 1,013	$ 6,953	$ 1,646	$ (435,334)	$ 944,655	$ 105,962	$ 1,050,617	100.2%	78.6%	$1,525.44	$243.77	$1,769.22	$1,211.10	$1,346.94
Apr-21	781	$ 944,975	$ 1,204,133	$ 892,114	$ 195,045	$ (125,975)	$ 1,410	$ 6,950	$ 1,613	$ (10,753)	$ 960,403	$ 106,100	$ 1,066,503	101.6%	79.8%	$1,155.04	$249.74	$1,243.48	$1,229.71	$1,365.56
May-21	781	$ 944,328	$ 1,203,232	$ 562,968	$ 198,684	$ -	$ 988	$ 7,000	$ 1,722	$ (24,491)	$ 746,871	$ 106,099	$ 852,970	79.1%	62.1%	$733.26	$254.40	$987.66	$956.30	$1,092.15
Jun-21	789	$ 949,477	$ 1,210,362	$ 656,418	$ 202,023	$ -	$ 1,081	$ 7,026	$ 1,704	$ (112,846)	$ 755,407	$ 107,185	$ 862,592	79.6%	62.4%	$844.40	$256.05	$1,100.45	$957.42	$1,093.27
Total	**9,372**	**$ 11,341,331**	**$ 14,455,998**	**$ 7,381,869**	**$ 2,635,207**	**$ (259,504)**	**$ 13,430**	**$ 83,953**	**$ 20,788**	**$ (584,516)**	**$ 9,291,227**	**$ 1,273,185**	**$ 10,564,411**	**81.9%**	**64.3%**	**$800.26**	**$281.18**	**$1,053.75**	**$991.38**	**$1,127.23**
Avg	**781**																			

BCBS and Optum Rx Runout							
Month	Paid Medical	Paid Rx	Optum Rx Rebates*	Blue Card Claims Expense	Capitation (Chiro FFS Costs)	Stop Loss Recovery	Total Paid Claims
Jul-21	$ 232,051	$ 135	$ (168,260)	$ 233	$ (26)	$ (4,148)	$ 59,985
Aug-21	$ 224,226	$ 3,280	$ -	$ 119	$ (15)	$ -	$ 227,611
Sep-21	$ 69,645	$ 203	$ -	$ 57	$ (21)	$ (557)	$ 69,328
Oct-21	$ 28,027	$ -	$ (192,507)	$ (4)	$ -	$ 72	$ (164,411)
Nov-21	$ 8,219	$ 237	$ -	$ 4	$ -	$ -	$ 8,460
Dec-21	$ 4,289	$ 40	$ -	$ -	$ -	$ -	$ 4,329
Jan-22							$ -
Feb-22							$ -
Mar-22							$ -
Apr-22							$ -
May-22							$ -
Jun-22							$ -
Total	**$ 566,458**	**$ 3,894**	**$ (360,767)**	**$ 409**	**$ (62)**	**$ (4,632)**	**$ 205,300**

2020-2021 Medical Plan Costs with Runout

Total Claims Incurred for Time Period	Total Stop Loss Recovery	Total Paid Claims Net Runout	Total Admin Fees	Total Paid Claims and Admin Costs	% Actual Claims vs. Expected	% Actual Claims vs. Maximum Claim Liability	Total Paid Claims & Admin Costs PEPM
$ 10,085,675	**$ (589,148)**	**$ 9,496,527**	**$ 1,273,185**	**$ 10,769,712**	**83.7%**	**65.7%**	**$ 1,149.14**

Specific Stoploss 12/24 $250,000 ISL

Aggregate Stoploss (125%)

City of Surprise

Plan Year: July 2021 to June 2022 (as of December 2021)

Annual Cost Comparison Analysis

Incurred and Paid - 2020/2021 vs. 2021/2022

Cost Categories	2020/2021 with Runout	PEPM Costs	2021/2022 Estimated Annual*	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	$8,107,293	$865.05	$9,706,959	$1,010.09	19.73%	$1,599,666	16.8%	$145.03
Rx Claims Costs**	$2,639,101	$281.59	$2,682,702	$279.16	1.65%	$43,601	-0.9%	($2.44)
Rx Rebates	($511,185)	($54.54)	($423,480)	($44.07)	-17.16%	$87,705	-19.2%	$10.48
Blue Card, Captitation Expenses, Misc and Value Based Services	$118,518	$12.65	$121,943	$12.69	2.89%	$3,425	0.3%	$0.04
Stop Loss Recoveries***	($589,148)	($62.86)	$0	$0.00	n/a	$589,148	n/a	$62.86
Admin Fees	$1,273,185	$135.85	$1,319,838	$137.34	3.66%	$46,653	1.1%	$1.49
Total Costs	**$11,037,764**	**$1,177.74**	**$13,407,961**	**$1,395.21**	**21.5%**	**$2,370,197**	**18.5%**	**$217.47**

PEPM Total Cost History		Increase/ Decrease
2014/2015	**$1,079.93**	
2015/2016	**$1,160.82**	**7.5%**
2016/2017	**$1,202.07**	**3.6%**
2017/2018	**$1,151.77**	**-4.2%**
2018/2019	**$1,200.23**	**4.2%**
2019/2020	**$1,201.50**	**0.1%**
2020/2021	**$1,177.74**	**-2.0%**
2021/2022	**$1,395.21**	**18.5%**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	9,372	9,610	2.54%	238

*2021/2022 Medical Claims Costs includes a 10% completion factor

*2021/2022 Medical Claims Costs includes an escalator load for participants who have not met deductibles

**2021/2022 Rx Claims Costs includes an escalator load for participants who have not met deductibles

***Stop Loss Recoveries are not annualized

Incurred and Paid - 2019/2020 vs. 2020/2021

Cost Categories	2019/2020 with Runout	PEPM Costs	2020/2021 with Runout	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	$8,575,820	$933.17	$8,107,293	$865.05	-5.46%	($468,527)	-7.3%	($68.11)
Rx Claims Costs	$1,958,050	$213.06	$2,639,101	$281.59	34.78%	$681,051	32.2%	$68.53
Rx Rebates	($494,679)	($53.83)	($511,185)	($54.54)	3.34%	($16,506)	1.3%	($0.72)
Blue Card, Captitation Expenses, Misc and Value Based Services	$121,600	$13.23	$118,518	$12.65	-2.53%	($3,082)	-4.4%	($0.59)
Stop Loss Recoveries***	($285,777)	($31.10)	($589,148)	($62.86)	n/a	($303,371)	n/a	($31.77)
Admin Fees	$1,166,811	$126.97	$1,273,185	$135.85	9.12%	$106,374	7.0%	$8.88
Total Costs	**$11,041,825**	**$1,201.50**	**$11,037,764**	**$1,177.74**	**0.0%**	**($4,061)**	**-2.0%**	**($23.77)**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	9,190	9,372	1.98%	182

*2020/2021 Medical Claims Costs includes a 2% completion factor

***Stop Loss Recoveries are not annualized

City of Surprise

Blue Cross Blue Shield - Large Claims over $100k

Plan Year: July 2021 to June 2022 (as of December 2021)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Month	Previous Month's YTD Paid Claims	Change from Prior Month's Claims	% of $250K ISL Limit	Net Paid after SL Reimbursements
1	D014	Y	Active	PPO	$186,257	$2,813	$189,070	$188,734	$336	75.6%	$189,070
2	E002	N	Active	PPO	$140,451	$0	$140,451	$106,571	$33,880	56.2%	$140,451
3	C014	Y	Active	HMO	$0	$137,304	$137,304	$114,172	$23,133	54.9%	$137,304
4	E003	N	Active	PPO	$120,529	$32	$120,561		$120,561	48.2%	$120,561
				Total	$447,236	$140,150	$587,385	$409,476	$177,909		$587,385

Percentage of Large Claims vs. Medical & Rx Claims	10.7%

City of Surprise

Blue Cross Blue Shield - Large Claims over $50k

Plan Year: July 2020 to June 2021 (as of December 2021)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Month	Previous Month's YTD Paid Claims	Change from Prior Month's Claims	% of $250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
1	C018	Y	Active	HMO	$701,453	$12,499	$713,952	$713,952	$0	100.0%	($463,952)	$250,000
2	D009	N	Active	PPO	$375,196	$0	$375,196	$375,196	$0	100.0%	($125,196)	$250,000
3	D002	N	Active	HMO	$3,714	$208,784	$212,498	$212,498	$0	85.0%		$212,498
4	A010	Y	Active	HMO	$187,928	$22,042	$209,970	$209,970	$0	84.0%		$209,970
5	D014	N	Active	HMO	$172,858	$5,294	$178,152	$178,152	$0	71.3%		$178,152
6	C006	Y	Active	EPO	$1,186	$160,689	$161,875	$161,875	$0	64.7%		$161,875
7	D021	N	Active	HMO	$161,069	$156	$161,225	$161,225	$0	64.5%		$161,225
8	C003	Y	Active	HMO	$101,922	$43,183	$145,105	$145,105	$0	58.0%		$145,105
9	C014	Y	Active	HMO	$417	$130,211	$130,628	$130,628	$0	52.3%		$130,628
10	PY 16-17 #26	Y	Termed 5/21	HMO	$6,295	$115,086	$121,382	$121,382	$0	48.6%		$121,382
11	D007	N	Termed 1/21	PPO	$90,127	$7,183	$97,310	$97,310	$0	38.9%		$97,310
12	D015	N	Active	PPO	$94,950	$26	$94,977	$94,977	$0	38.0%		$94,977
13	D003	N	Active	PPO	$1,456	$92,581	$94,038	$94,038	$0	37.6%		$94,038
14	A007	Y	Active	HMO	$1,969	$91,188	$93,157	$93,157	$0	37.3%		$93,157
15	A023	Y	Active	HMO	$31,217	$58,756	$89,973	$89,973	$0	36.0%		$89,973
16	D011	N	Active	PPO	$76,520	$2,740	$79,260	$79,260	$0	31.7%		$79,260
17	D001	N	Termed 8/20	HMO	$76,058	$36	$76,094	$76,094	$0	30.4%		$76,094
18	D010	N	Active	HMO	$4,242	$70,849	$75,091	$75,091	$0	30.0%		$75,091
19	D012	N	Active	PPO	$6,013	$66,822	$72,836	$72,836	$0	29.1%		$72,836
20	A018	Y	Active	HMO	$1,855	$68,695	$70,550	$70,550	$0	28.2%		$70,550
21	D017	N	Active	PPO	$68,834	$1,637	$70,471	$70,471	$0	28.2%		$70,471
22	D008	N	Active	PPO	$70,132	$0	$70,132	$70,132	$0	28.1%		$70,132
23	D016	N	Termed 6/21	HMO	$66,997	$0	$66,997	$66,997	$0	26.8%		$66,997
24	A025	Y	Active	PPO	$55,615	$6,223	$61,838	$61,655	$183	24.7%		$61,838
25	D018	N	Active	HMO	$2,116	$55,858	$57,973	$57,973	$0	23.2%		$57,973

City of Surprise

Blue Cross Blue Shield - Large Claims over $50k

Plan Year: July 2020 to June 2021 (as of December 2021)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Month	Previous Month's YTD Paid Claims	Change from Prior Month's Claims	% of $250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
26	B010	Y	Active	PPO	$30,347	$27,058	$57,405	$57,405	$0	23.0%		$57,405
27	B015	Y	Active	HMO	$4,628	$52,435	$57,063	$57,063	$0	22.8%		$57,063
28	D004	N	Active	PPO	$56,178	$170	$56,348	$56,348	$0	22.5%		$56,348
29	D005	N	Active	PPO	$55,978	$323	$56,301	$56,301	$0	22.5%		$56,301
30	D019	N	Active	PPO	$54,217	$489	$54,706	$54,631	$75	21.9%		$54,706
31	D006	N	Active	HMO	$54,104	$99	$54,203	$54,203	$0	21.7%		$54,203
32	D020	N	Active	PPO	$53,013	$558	$53,571	$53,571	$0	21.4%		$53,571
33	D013	N	Active	EPO	$962	$49,244	$50,206	$50,206	$0	20.1%		$50,206
				Total	$2,669,569	$1,350,914	$4,020,483	$4,020,225	$258		($589,148)	$3,431,335

Percentage of Large Claims vs. Medical & Rx Claims	40.1%

Dental Reports

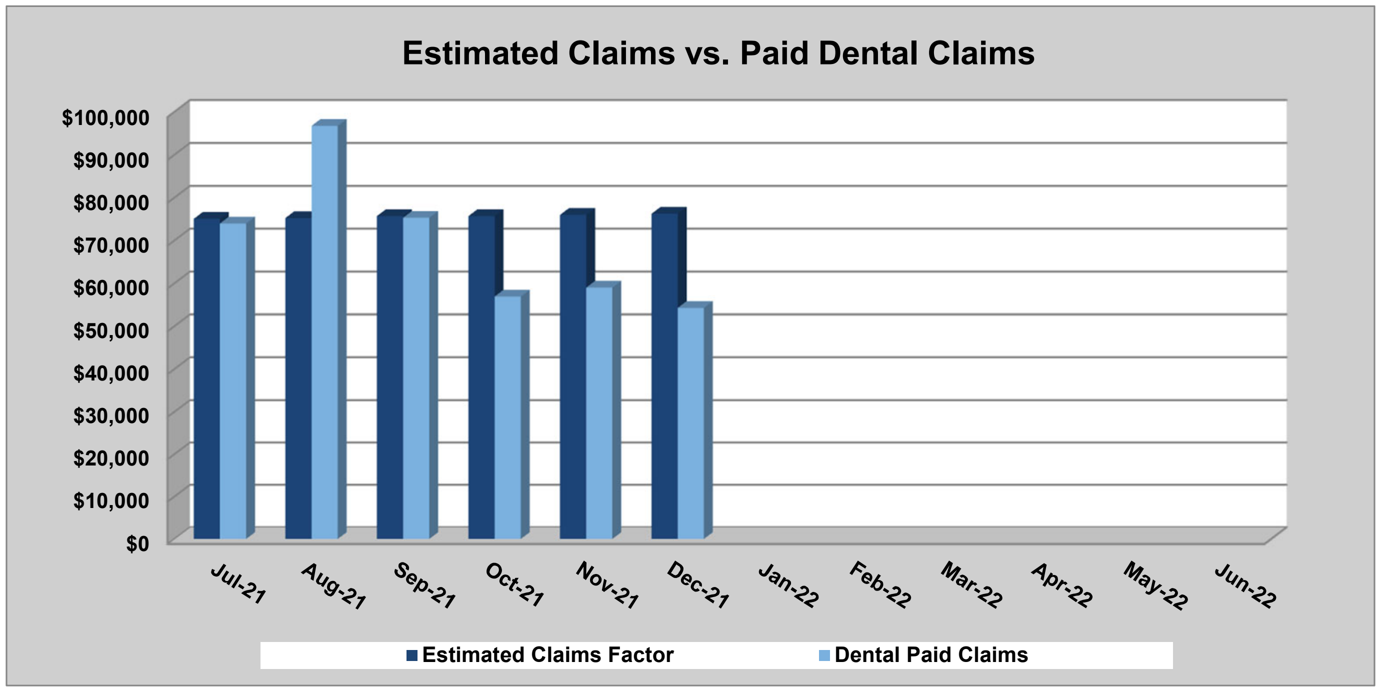
City of Surprise
Delta Dental Self Funded Paid Claims
Plan Year: July 2021 to June 2022 (as of December 2021)

Delta Dental						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Dental Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Dental Paid Claims PEPM	Total Plan Costs PEPM
Jul-21	821	$75,072	$2,915	$73,986	$76,900	98.6%	$90.12	$93.67
Aug-21	823	$75,255	$2,922	$96,758	$99,679	128.6%	$117.57	$121.12
Sep-21	828	$75,712	$2,939	$75,316	$78,256	99.5%	$90.96	$94.51
Oct-21	828	$75,712	$2,939	$56,931	$59,871	75.2%	$68.76	$72.31
Nov-21	831	$75,987	$2,950	$59,014	$61,964	77.7%	$71.02	$74.57
Dec-21	834	$76,261	$2,961	$54,283	$57,244	71.2%	$65.09	$68.64
Jan-22								
Feb-22								
Mar-22								
Apr-22								
May-22								
Jun-22								
Total	**4,965**	**$454,000**	**$17,626**	**$416,288**	**$433,914**	**91.7%**	**$83.84**	**$87.39**
Avg PEPM Enrollment	828							

Admin Fees	Employee
Administration	$3.55

Claim Expenses	
Estimated Claim Factor	$91.44

Premium Equivalent Rates		
EE	EE + 1	Family
$38.80	$76.89	$124.56



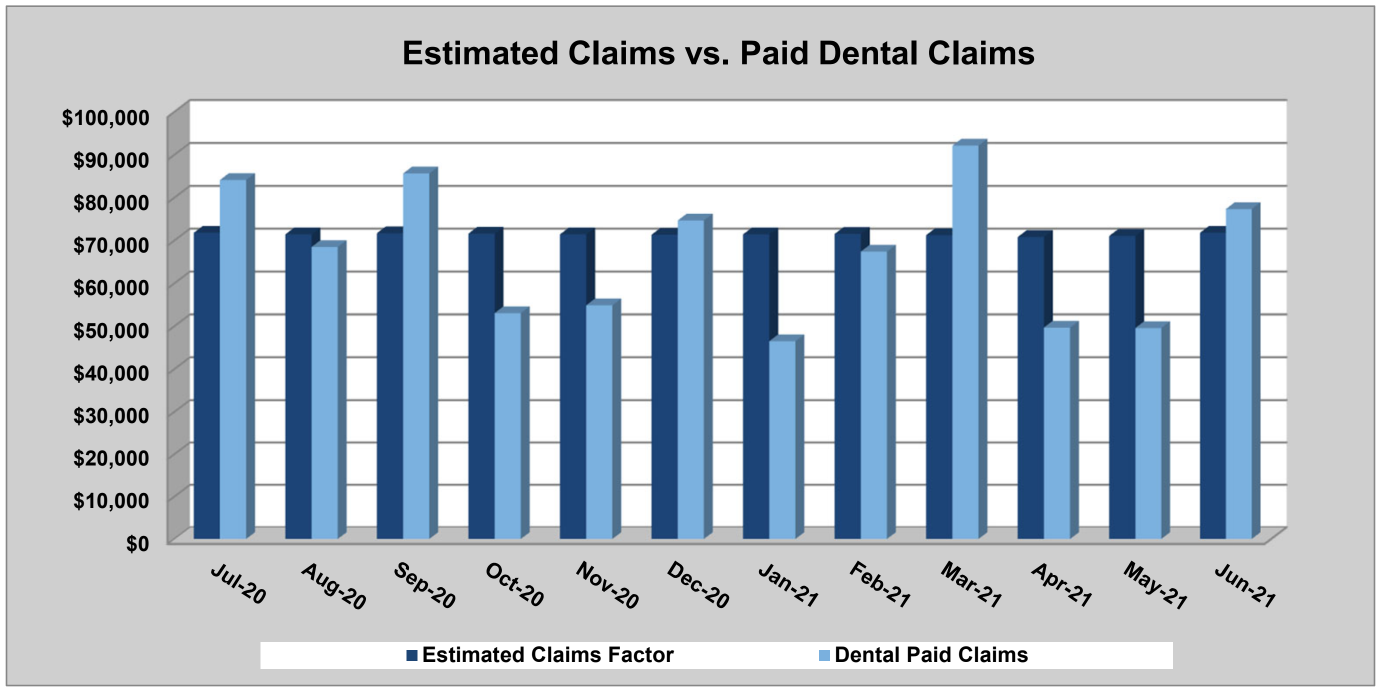
City of Surprise
Delta Dental Self Funded Paid Claims
Plan Year: July 2020 to June 2021

Delta Dental						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Dental Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Dental Paid Claims PEPM	Total Plan Costs PEPM
Jul-20	808	$71,807	$2,865	$84,137	$87,002	117.2%	$104.13	$107.68
Aug-20	804	$71,451	$2,854	$68,500	$71,354	95.9%	$85.20	$88.75
Sep-20	807	$71,718	$2,861	$85,645	$88,506	119.4%	$106.13	$109.67
Oct-20	806	$71,629	$2,858	$53,067	$55,925	74.1%	$65.84	$69.39
Nov-20	804	$71,451	$2,854	$54,890	$57,744	76.8%	$68.27	$71.82
Dec-20	803	$71,363	$2,854	$74,677	$77,531	104.6%	$93.00	$96.55
Jan-21	804	$71,451	$2,851	$46,518	$49,369	65.1%	$57.86	$61.40
Feb-21	805	$71,540	$2,858	$67,430	$70,288	94.3%	$83.76	$87.31
Mar-21	802	$71,274	$2,847	$92,142	$94,989	129.3%	$114.89	$118.44
Apr-21	797	$70,829	$2,833	$49,704	$52,537	70.2%	$62.36	$65.92
May-21	800	$71,096	$2,836	$49,602	$52,438	69.8%	$62.00	$65.55
Jun-21	808	$71,807	$2,868	$77,348	$80,216	107.7%	$95.73	$99.28
Total	**9,648**	**$857,418**	**$34,239**	**$803,660**	**$837,899**	**93.7%**	**$83.30**	**$86.85**
Avg PEPM Enrollment	804							

Admin Fees	Employee
Administration	$3.55

Claim Expenses	
Estimated Claim Factor	$88.87

Premium Equivalent Rates		
EE	EE + 1	Family
$38.22	$75.74	$122.69



City of Surprise

MetLife Dental Claims

Plan Year: July 2021 to June 2022 (as of December 2021)

Annual Cost Comparison Analysis 2020/2021 vs. 2021/2022

Cost Categories	2020/2021 Estimated Annual Costs	PEPM Costs	2021/2022 Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Dental Claims*	$803,660	$83.30	$832,576	$86.30	3.6%	$28,916	3.6%	$3.00
Admin Fees	$34,239	$3.55	$35,252	$3.65	3.0%	$1,013	3.0%	$0.10
Total Costs	**$837,899**	**$86.85**	**$867,828**	**$89.95**	**3.6%**	**$29,929**	**3.6%**	**$3.10**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	9,648	9,930	2.9%	282

PEPM Total Cost History		Increase/ Decrease
2014/2015	**$75.97**	
2015/2016	**$86.13**	**13.4%**
2016/2017	**$85.96**	**-0.2%**
2017/2018	**$86.59**	**0.7%**
2018/2019	**$91.62**	**5.8%**
2019/2020	**$68.78**	**-24.9%**
2020/2021	**$86.85**	**26.3%**
2021/2022	**$89.95**	**3.6%**

Annual Cost Comparison Analysis 2019/2020 vs. 2020/2021

Cost Categories	2019/2020 Annual Costs	PEPM Costs	2020/2021 Estimated Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Dental Claims*	$615,225	$65.23	$803,660	$83.30	30.6%	$188,435	27.7%	$18.06
Admin Fees	$33,484	$3.55	$34,239	$3.55	2.3%	$755	0.0%	($0.00)
Total Costs	**$648,709**	**$68.78**	**$837,899**	**$86.85**	**29.2%**	**$189,190**	**26.3%**	**$18.06**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	9,431	9,648	2.3%	217

Vision Reports

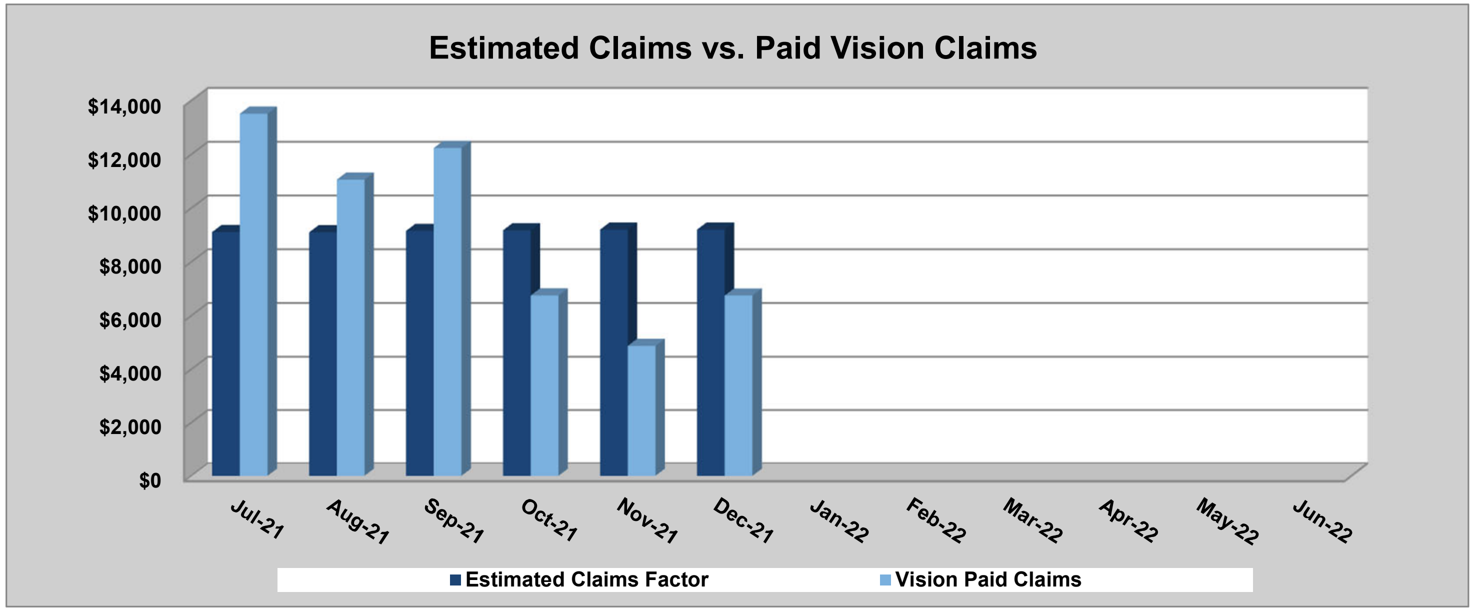
City of Surprise
Avesis Vision Self Funded Paid Claims
Plan Year: July 2021 to June 2022 (as of December 2021)

Avesis Vision						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Vision Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Vision Paid Claims PEPM	Total Plan Costs PEPM
Jul-21	803	$9,106	$763	$13,510	$14,273	148.4%	$16.82	$17.77
Aug-21	802	$9,095	$762	$11,057	$11,819	121.6%	$13.79	$14.74
Sep-21	807	$9,151	$767	$12,236	$13,002	133.7%	$15.16	$16.11
Oct-21	809	$9,174	$769	$6,747	$7,516	73.5%	$8.34	$9.29
Nov-21	811	$9,197	$770	$4,871	$5,641	53.0%	$6.01	$6.96
Dec-21	811	$9,197	$770	$6,746	$7,516	73.3%	$8.32	$9.27
Jan-22								
Feb-22								
Mar-22								
Apr-22								
May-22								
Jun-22								
Total	**4,843**	**$54,920**	**$4,601**	**$55,166**	**$59,766**	**100.4%**	**$11.39**	**$12.34**
Avg Enrollment	807							

Admin Fees	Employee
Administration	$0.95

Claim Expenses	
Estimated Claim Factor	$11.34

Premium Equivalent Rates	
EE	Family
$5.16	$14.62



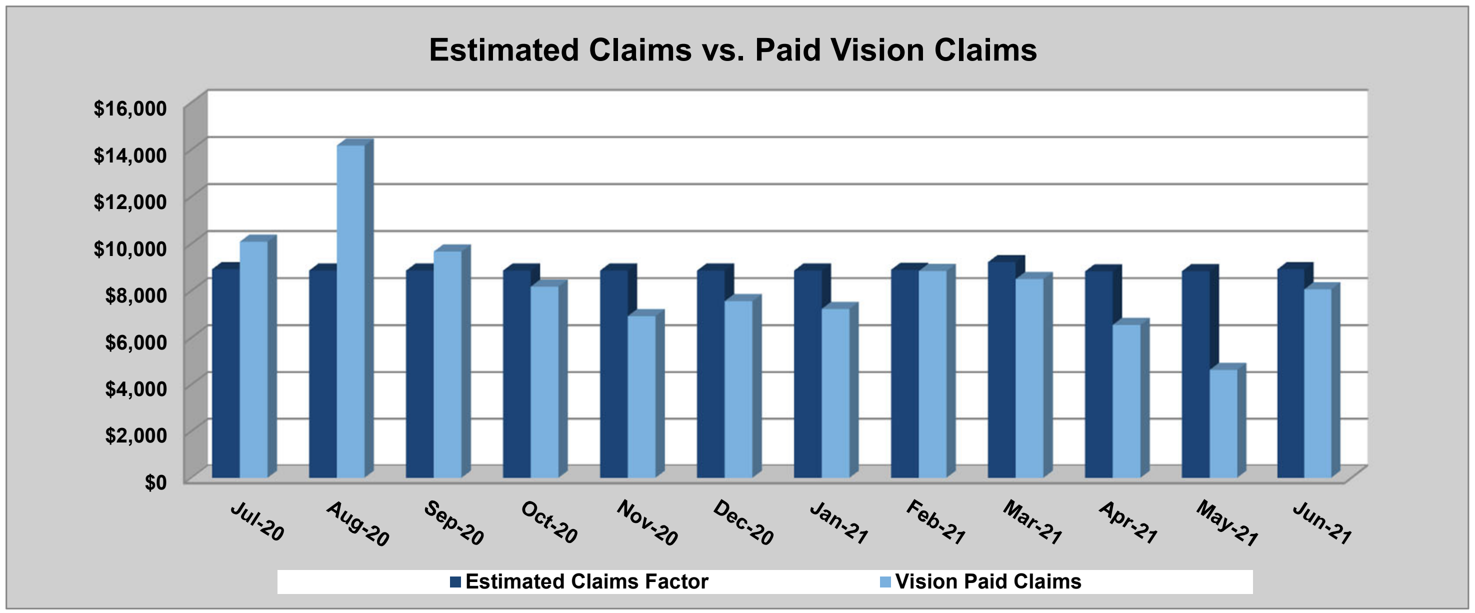
City of Surprise
Avesis Vision Self Funded Paid Claims
Plan Year: July 2020 to June 2021

Avesis Vision						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Vision Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Vision Paid Claims PEPM	Total Plan Costs PEPM
Jul-20	792	$8,910	$752	$10,080	$10,832	113.1%	$12.73	$13.68
Aug-20	787	$8,854	$748	$14,170	$14,917	160.0%	$18.00	$18.95
Sep-20	787	$8,854	$748	$9,663	$10,410	109.1%	$12.28	$13.23
Oct-20	787	$8,854	$748	$8,172	$8,920	92.3%	$10.38	$11.33
Nov-20	787	$8,854	$748	$6,916	$7,664	78.1%	$8.79	$9.74
Dec-20	787	$8,854	$748	$7,554	$8,302	85.3%	$9.60	$10.55
Jan-21	787	$8,854	$748	$7,224	$7,972	81.6%	$9.18	$10.13
Feb-21	790	$8,888	$751	$8,838	$9,589	99.4%	$11.19	$12.14
Mar-21	819	$9,214	$778	$8,494	$9,272	92.2%	$10.37	$11.32
Apr-21	784	$8,820	$745	$6,546	$7,291	74.2%	$8.35	$9.30
May-21	785	$8,831	$746	$4,626	$5,372	52.4%	$5.89	$6.84
Jun-21	792	$8,910	$752	$8,055	$8,807	90.4%	$10.17	$11.12
Total	**9,484**	**$106,695**	**$9,010**	**$100,336**	**$109,346**	**94.0%**	**$10.58**	**$11.53**
Avg Enrollment	790							

Admin Fees	Employee
Administration	$0.95

Claim Expenses	
Estimated Claim Factor	$11.25

Premium Equivalent Rates	
EE	Family
$5.16	$14.61



City of Surprise

Avesis Vision Claims

Plan Year: July 2021 to June 2022 (as of December 2021)

Annual Cost Comparison Analysis 2020/2021 vs. 2021/2022

Cost Categories	2020/2021 Estimated Annual Costs	PEPM Costs	2021/2022 Estimated Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Vision Claims	$100,336	$10.58	$90,331	$9.33	-10.0%	($10,005)	-11.8%	($1.25)
Admin Fees	$9,010	$0.95	$9,202	$0.95	2.1%	$192	0.0%	$0.00
Total Costs	**$109,346**	**$11.53**	**$99,533**	**$10.28**	**-9.0%**	**($9,813)**	**-10.9%**	**($1.25)**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	9,484	9,686	2.1%	202

PEPM Total Cost History		Increase/ Decrease
2014/2015	**$9.09**	
2015/2016	**$10.33**	**13.6%**
2016/2017	**$10.42**	**0.9%**
2017/2018	**$10.69**	**2.6%**
2018/2019	**$10.81**	**1.1%**
2019/2020	**$9.87**	**-8.7%**
2020/2021	**$11.53**	**16.8%**
2021/2022	**$10.28**	**-10.9%**

Annual Cost Comparison Analysis 2019/2020 vs. 2020/2021

Cost Categories	2019/2020 Costs	PEPM Costs	2020/2021 Estimated Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Vision Claims	$83,343	$8.92	$100,336	$10.58	20.4%	$16,993	18.6%	$1.66
Admin Fees	$8,876	$0.95	$9,010	$0.95	1.5%	$134	0.0%	$0.00
Total Costs	**$92,219**	**$9.87**	**$109,346**	**$11.53**	**18.6%**	**$17,127**	**16.8%**	**$1.66**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	9,343	9,484	1.5%	141

CBIZ

City of Surprise PBM Summary

January 1, 2021 – December 31, 2021

Per Member Per Month Actual Cost Versus Projection (Accrued Basis)

Prior Calendar Year - 2018

$44.16 – Results thru March, 2018

$54.57 – Results thru June, 2018 (includes 1st Q rebates)

$55.73 – Results thru Sep, 2018 (includes 1st and 2nd Q rebates)

$54.45 – Results thru Dec, 2018 (includes 1st, 2nd and 3rd Q rebates)

$50.49 – Results thru Dec, 2018 (includes 1st, 2nd, 3rd and 4th Q rebates)

Prior Calendar Year – 2019*

$68.70 – Results thru March, 2019 (includes no rebates) $53.84 with estimated rebates

$56.32 – Results thru June, 2019 (includes 1st Q Rebate $120,916)

$53.35 – Results thru September, 2019 (includes 1st & 2nd Q Rebates)

$66.75 – Results thru December, 2019 (includes 1st, 2nd, 3rd & 4th Q Rebates)

Prior Calendar Year – 2020

$53.28 – Results thru March, 2020 (includes 1st Q rebate of $131,400)

$56.32 – Results thru June, 2020 (includes 1st Q & 2nd Q rebates of $120,281)

$87.82** – Results thru September, 2020 (includes 1st, 2nd & 3rd Q rebates of $132,089)

$74.55 – Results thru December, 2020 (includes 1st, 2nd, 3rd & 4th Q rebates of $125,975)

Current Calendar Year – 2021

$84.47 – Results thru March, 2021 (includes 1st Q rebate of $168,260)

$83.48 – Results thru June, 2021 (includes 1st Q & 2nd Q rebates of $133,310)

$86.83 – Results thru September, 2021 (includes 1st, 2nd & 3rd Q rebates of $149,160)

$93.08 – Results thru December, 2021 (includes 1st, 2nd, 3rd & 4th Q estimated rebates of $125,000)

Your PMPM trend continues to be lower than the overall Optum book of business.

Projected Rebates (CY 21 - 12 months) - $480,000

Projected Rebates Per Quarter - $125,000

Changes in utilization that are unexpected may result in a variance against targets.

**Does not include $53,710 paid in May, 2019 for pricing performance guarantees.*

***The $30 spike from Q2 to Q3 was mostly due to specialty drugs.*

CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: March 2, 2022

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

Consent: No Regular: Yes Public Hearing: No Report/Discussion: No

Agenda Wording:
Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2022 2nd Quarter.

Motion:
None. Presentation and discussion only.

Background:
Staff will be presenting the City's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund financial report for FY2022 2nd Quarter. This report contains unaudited financial activity through December 31, 2021 for the Employee Healthcare Self Insurance Fund and the Workers' Compensation Fund.

Objective Analysis:

Policy Compliant:

Financial Impact:
None at this time; however, topics covered in this presentation could lead to future actions which may have fiscal impact on the fund's operation.

Budget Impact:
None at this time; however, topics covered in this presentation could lead to future actions which may have fiscal impact on the fund's operation.

FTE Impact:

ATTACHMENTS:
1. 2nd Quarter Self Insurance Fund

City of Surprise, Arizona
Employee Healthcare Self Insurance Fund and Workers' Compensation Fund
December 31, 2021

	Employee Healthcare Trust Fund	Worker's Compensation Trust Fund
ASSETS		
Current assets:		
Cash and investments	$ 7,844,161	$ 3,889,850
Other Receivables	-	-
Prepaid services	2,363	-
Total current assets	7,846,524	3,889,850
Noncurrent assets:		
Net OPEB asset	464	379
Total noncurrent assets	464	379
Total assets	7,846,988	3,890,229
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension related	21,430	17,498
Deferred outflows of resources - OPEB related	1,326	1,083
Total deferred outflows of resources	22,756	18,581
Total assets and deferred outflows of resources	7,869,744	3,908,810
LIABILITIES		
Current liabilities:		
Accounts payable	-	1,004
Accrued payroll and benefits	2,574	-
Compensated absences payable, due in less than one year	4,246	1,453
Claims payable	-	-
Claims - incurred but not reported (IBNR)	864,183	281,650
Total current liabilities	871,003	284,107
Noncurrent liabilities:		
Compensated absences payable, greater than one year	6,928	2,370
Net pension liability	111,753	91,250
Net OPEB liability	494	403
Total noncurrent liabilities	119,175	94,023
Total liabilities	990,178	378,130
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension related	1,289	1,069
Deferred inflow of resources - OPEB related	935	747
Total deferred inflows of resources	2,224	1,816
Total liabilities and deferred inflows of resources	992,402	379,946
NET POSITION		
Restricted for:		
Committed - Industrial Commission Reserve	-	1,500,000
Committed - Adverse Claims Contingency Reserve	3,254,591	-
Unrestricted	3,622,750	2,028,864
Total net position	$ 6,877,342	$ 3,528,864

City of Surprise, Arizona - Employee Healthcare Self Insurance Fund
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual
For the quarter ended December 31, 2021

	F2022 Second Quarter Budget	FY 2022 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
Employee Contributions				
Medical	$ 1,315,850	$ 1,262,724	$ (53,126)	(4.0%)
Dental	127,400	124,730	(2,670.00)	(2.1%)
Vision	14,900	14,089	(811.00)	(5.4%)
City Contributions			-	
Medical	5,257,750	5,392,290	134,540	2.6%
Dental	331,550	326,265	(5,285)	(1.6%)
Vision	43,200	43,039	(161)	(0.4%)
Cobra contributions	25,000	129,555	104,555	418.2%
Subrogation recovery	-	54,666	54,666	-
Wellness reimbursement	-	-	-	-
Pharmacy rebate	298,600	173,000	(125,600)	(42.1%)
Miscellaneous Revenue	-	4,868	4,868	-
Interest revenue	21,700	7,589	(14,111)	(65.0%)
Total operating revenues	7,435,950	7,532,815	96,865	1.3%
OPERATING EXPENSES				
Personnel (Wages/Benefits)	58,372	61,838	(3,466)	(5.9%)
Wellness				
Work/life balance	19,750	16,341	3,409	17.3%
Physical & nutritional well being	-	590	(590)	-
Books & subscriptions	500	-	500	100.0%
Special event hosting	500	64	436	87.2%
Administration				
Medical	246,500	328,345	(81,845)	(33.2%)
Medical stop loss	412,550	557,246	(144,696)	(35.1%)
Dental	17,400	17,629	(229)	(1.3%)
Vision	4,600	6,147	(1,547)	(33.6%)
Claims				
Medical	5,038,550	4,825,292	213,258	4.2%
Pharmacy	1,131,900	1,319,173	(187,273)	(16.5%)
Dental	431,350	415,887	15,463	3.6%
Vision	51,550	55,166	(3,616)	(7.0%)
Professional outside services	56,650	63,653	(7,003)	(12.4%)
Travel & training	2,500	-	2,500	100.0%
Dues & membership	500	-	500	100.0%
Limited purpose flex spending	6,050	7,042	(992)	(16.4%)
Total operating expenses	7,479,222	7,674,413	(195,191)	(2.6%)
Change in net position	$ (43,272)	$ (141,598)	$ (98,326)	

City of Surprise, Arizona - Workers' Compensation
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual
For the quarter ended December 31, 2021

	FY2022 Second Quarter Budget	FY 2022 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
City Contributions				
Worker's comp	$ 748,750	$ 867,412	$ 118,662	15.85%
Subrogation recovery	-	-	-	-
Recovery of PY	-	1,071	1,071.00	-
Interest revenue	-	5,131	5,131.00	-
Total operating revenues	748,750	873,614	124,864	16.68%
OPERATING EXPENSES				
Personnel (Wages/Benefits)	51,530	50,184	1,346	2.61%
Administration	150,000	234,785	(84,785)	-56.52%
Claims			-	-
Claim Settlement	477,500	259,163	218,337	45.73%
Municipal Firefighters Cancer	375,000	366,916	8,084	2.16%
Software license	22,500	-	22,500	100.00%
Taxes Chages Service Fees	20,000	9,169	10,831	54.16%
Other professional services	32,500	36,517	(4,017)	-12.36%
Total operating expenses	1,129,030	956,734	172,296	15.26%
Operating income (loss)	(380,280)	(83,120)	297,160	
Income (loss) before contributions and transfers	(380,280)	(83,120)	297,160	
Transfers in		375,000	375,000	
Change in net position	$ (380,280)	$ 291,880	$ 672,160	

Employee Health Care Activity

Claims History By Quarter

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
2020	2,926,865	2,089,090	1,538,628	4,616,374	11,170,957
2021	3,935,628	2,513,712	2,122,665	2,695,665	11,267,670
2022	2,069,953	4,545,565			6,615,518

Net Income (loss) By Quarter

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
2020	(115,223)	990,840	(493,804)	(226,908)	154,905
2021	25,559	545,521	(88,325)	(266,950)	215,805
2022	1,088,596	(1,230,194)			(141,598)

Stop Loss Credits

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
2020	-	-	-	-	-
2021	-	-	436,425	148,555	584,981
2022	4,147.50	557			4,704

Pharmacy Rebate by Fiscal Year

	HMO	PPO	EPO	Total By Year
2018	111,392.00	101,497.00	-	212,889.00
2019	264,705.80	240,184.80	-	504,890.60
2020	363,076.14	161,799.59	72,213.22	597,088.95
2021	300,178.00	99,160.53	52,092.00	451,430.53
2022	116,971.00	36,045.00	19,984.00	173,000.00
Total By Plan	1,156,322.94	638,686.92	144,289.22	1,939,299.08

CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: March 2, 2022

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations:

Consent: No   Regular: Yes   Public Hearing: No   Report/Discussion: No

Agenda Wording:

Consider and action pertaining to approval of the recommended FY2023 Health Benefit Trust Fund Budget.

Motion:

I move to approve the recommended FY2023 Health Benefit Trust Fund Budget for both sources and uses.

Background:

Pursuant to Article V, Section H of the Health Benefits Trust Agreement: "In furtherance of the purpose of the Trust, as set forth in this Trust Agreement, the Board shall: H. Provide input and recommendations to the City Council, along with City staff and consultants, regarding Trust funding levels in order to establish and maintain, from contributions or other appropriations, reserves necessary to provide stability and security of the Trust, in accordance with sound actuarial and underwriting principles."

Staff has conducted a thorough review of plan design and anticipated plan expenses for FY2023 (beginning July 1, 2022). We will present the planned contribution strategy. We will also demonstrate the effect of the contribution changes on the financial position of the trust fund.

Objective Analysis:

Policy Compliant:

This item is compliant with the Comprehensive Financial Management Policies.

Financial Impact:

This approves the budget which is estimated to adequately fund the Health Benefits Trust Fund.

Budget Impact:

Approving this item will set a budget for the Health Benefits Trust Fund. The sources total $XX Million. This includes Employer Contributions for Medical of $XX Million, Dental $XX Million, and Vision of $XX Million. Employee Contributions for Medical of $XX Million, Dental $XX Million, and Vision $XX Million. Rebates and COBRA Sources total $XX Million, and Wellness reimbursements and Interest totaling $XX Million.

The uses total $XX Million. This includes estimated expenses for Medical in the amount of $XX Million, Dental of $XX Million, and Vision $XX Million. There are also Personnel, supplies, and service uses totaling $XX Million.

FTE Impact:

ATTACHMENTS:

1. City of Surprise Funding Projection 7.1.2022 V13
2. 2022.03.02 Health Benefits

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection
For a July 1, 2022 Effective Date

Completed February 9, 2022

Presented by:
CBIZ Benefits & Insurance Services, Inc.
5450 Frantz Road, Suite 300
Dublin, OH 43016
Telephone: (614) 793-7770

Table of Contents

CBIZ

Section 1: Executive Summary

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2022 Effective Date

— Executive Summary —

Section I

1. Current Enrollment (September 2021)

	PPO	HMO	EPO	Total
Employee Only	87	70	49	206
Employee + 1	57	72	27	156
Employee + Family	136	220	85	441
Total	280	362	161	803
	35%	*45%*	*20%*	

2. Current 2021-22 Client Budget Rates

	PPO	HMO	EPO	Total
Employee Only	$645.52	$667.60	$604.18	
Employee + 1	$1,291.00	$1,335.18	$1,208.36	
Employee + Family	$1,807.40	$1,869.28	$1,691.70	
PEPM Funding:	$1,341.26	$1,530.68	$1,279.66	$1,414.30
Monthly Funding:	$375,554	$554,107	$206,025	$1,135,685
Annual Funding:	$4,506,644	$6,649,279	$2,472,300	$13,628,223

3. Forecasted Rate Action

Expected	**3.10%**
Pessimistic	8.10%
Very Pessimistic	26.28%
Optimistic	**-1.90%**
Used	**3.10%**

4. Projected 2022-23 Rates

	PPO	HMO	EPO	Total
Employee Only	$665.56	$688.32	$622.94	
Employee + 1	$1,331.08	$1,376.63	$1,245.87	
Employee + Family	$1,863.51	$1,927.31	$1,744.22	
PEPM Funding:	$1,382.90	$1,578.20	$1,319.38	$1,458.21
Monthly Funding:	$387,212	$571,308	$212,421	$1,170,941
Annual Funding:	$4,646,545	$6,855,695	$2,549,049	$14,051,288
% Change:	3.10%	3.10%	3.10%	3.10%

5. Key Assumptions and Observations

a. Med/Rx experience period: Experience Period 1: Claims paid 11/1/20 - 10/31/21. Experience Period 2: Claims paid 11/1/19 - 10/31/20.

		Weighting by Plan Year			
Med experience weighting:	Considered Covid in Period 1 and Period 2:	Period 1:	50%	Period 2:	50%
Rx experience weighting:	Considered Covid in Period 1 and Period 2:	Period 1:	70%	Period 2:	30%

b. Plan changes: Claims were adjusted on a per-month basis based on monthly enrollment and the plan values below. No explicit plan change factor is utilized. See Section 4 for details.

	EPO	HMO	PPO
2019	96.00%	96.09%	94.47%
2020	95.91%	95.42%	94.18%
2021	95.91%	95.42%	94.18%

c. Annual trend: Annual trends of 7.3% medical and 6.5% Rx. Experience Period 1 was trended 21.0 months and Experience Period 2 was trended 33.0 months (trended from midpoint of experience period to midpoint of projection period). For a slight contribution to reserves, used a one month lag. e.g., Incurred claims from November through October equal paid claims from October through September.

d. Claim margin: 5.0% medical, 5.0% Rx. 3% is an adjustment for COVID - the rest is for Claim fluctuation.

e. Individual stop loss: Assumes a $250,000 ISL deductible with a 12/24 contract and no lasers. Claims exceeding $250,000 on an incurred basis were removed from the experience as an approximation of the 12/24 contract.

f. Fixed costs:

	2021-2022	2022-2023	ESTIMATED % Change
Administration fee	$51.25	$52.79	3.0%
EPO network fee ($2.00 PMPM)	$0.96	$0.96	0.0%
Individual stop loss [1]	$81.35	$88.67	9.00%
Aggregate stop loss — PPO [2]	$5.10	$5.10	0.0%
Aggregate stop loss — HMO & EPO [2]	$4.55	$4.55	0.0%
Aggregate stop loss — Composite	$4.74	$4.74	0.0%
Total fixed costs — PPO	$137.70	$146.56	6.4%
Total fixed costs — HMO & EPO	$137.15	$146.01	6.5%
Total fixed costs — Composite	$138.30	$147.16	6.4%

[1] Assumes $250,000 ISL deductible, 12/24 contract and no lasers

[2] 125% aggregate corridor

g. Rx Rebates Rebates were considered in the Rx forecast.

h. PCORI PCORI fees are estimated based on the most recent rate available. It is assumed that the plan is not subject to ERISA and the PCORI fee could optionally be incorporated into the funding rates. It is generally not always incorporated into funding rates as the default option, so both scenarios will be shown. In general, it should be assumed that PCORI fees are not included in a given set of funding rates unless specified.

Projected Funding Rates without PCORI Fees

	PPO	HMO	EPO	Total
	$665.56	$688.32	$622.94	
	$1,331.08	$1,376.63	$1,245.87	
	$1,863.51	$1,927.31	$1,744.22	
PEPM Funding:	$1,382.90	$1,578.20	$1,319.38	$1,458.21
Monthly Funding:	$387,212	$571,308	$212,421	$1,170,941
Annual Funding:	$4,646,545	$6,855,695	$2,549,049	$14,051,288
% Change:	3.10%	3.10%	3.10%	3.10%

Projected Funding Rates with PCORI Fees ($2.85 PMPY Estimate)

	PPO	HMO	EPO	Total
	$665.89	$688.66	$623.24	
	$1,331.73	$1,377.30	$1,246.48	
	$1,864.42	$1,928.25	$1,745.07	
PEPM Funding:	$1,383.58	$1,578.97	$1,320.03	$1,458.92
Monthly Funding:	$387,402	$571,588	$212,525	$1,171,515
Annual Funding:	$4,648,822	$6,859,055	$2,550,298	$14,058,175
% Change:	3.15%	3.15%	3.15%	3.15%

6. Reasonableness Test — Projected Claims Compared to Historical Claims

	PEPM	% Increase
Average Paid Claims Most Recent 12 Months *(Not adjusted for claimants > $250k)*	$1,191.70	
Final Projected Claims 2020-21 Plan Year	$1,311.04	10.0%
Average Paid Claims Most Recent 12 Months *(Adjusted for claimants > $250k)*	$1,176.58	
Final Projected Claims 2020-21 Plan Year	$1,311.04	11.4%

7. Dental

Dental experience period: Experience Period 1: Claims paid 10/1/20 - 9/30/21. Experience Period 2: Claims paid10/1/19 - 9/30/20.

	Weighting by Plan Year			
Dental experience weighting:	Period 1:	80%	Period 2:	20%

Rate Action:

Calculated Rate Action: 0.997%

Recommended Rate Action: 0.997%

	Enrollment	Current Premium Equivalents	Renewal Premium Equivalents
Employee Only	182	$37.80	$38.18
Employee + 1	172	$75.10	$75.85
Employee + Family	451	$121.94	$123.16
PEPM Funding:	805	$92.91	$93.84
Monthly Funding:		$74,792	$75,537
Annual Funding:		$897,501	$906,447
% Change:			1.00%

8. Vision

Vision experience period: Experience Period 1: Claims paid 10/1/20 - 9/30/21. Experience Period 2: Claims paid10/1/19 - 9/30/20.

Vision experience weighting:

Weighting by Plan Year			
Period 1:	80%	Period 2:	20%

Rate Action:

Calculated Rate Action:	-0.682%
Recommended Rate Action:	**0.000%**

	Enrollment	Current Premium Equivalents	Renewal Premium Equivalents
Employee Only	195	$5.04	$5.04
Employee + Family	594	$14.30	$14.30
PEPM Funding:	789	$12.01	$12.01
Monthly Funding:		$9,477	$9,477
Annual Funding:		$113,724	$113,724
% Change:			0.00%

Section 2: Projections to Develop Premium Equivalent Rates

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2022 Effective Date

— Medical Claims Projection —

1. Objective Develop funding rates which cover all medical paid claims and associated administrative expenses.

2. Assumptions

a.	Medical trend:	7.3%
b.	Months of trend:	Exp. Period 1 = 21.0, Exp. Period 2 = 33.0 (From midpoint of experience period to midpoint of projection period)
c.	Enrollment:	Lagged 1 month
d.	Experience:	Per BCBS of AZ Paid Claims Reports and CBIZ Experience Reports
e.	Pooled claims:	Removed; $250,000 ISL deductible, 12/24 contract
f.	Network change factor:	1.000
g.	Plan change factor:	Claims were adjusted on a per-month basis based on monthly enrollment and the plan values below. No explicit plan change factor is utilized. See Section 4 for details.

	EPO	HMO	PPO
2019	96.00%	96.09%	94.47%
2020	95.91%	95.42%	94.18%
2021	95.91%	95.42%	94.18%

h.	Chronic $ load:	$0
	Other $ load:	
i.	Claim fluctuation margin:	5.0%
j.	Current enrollment:	803 (September 2021)

3. Algorithm

		Experience Period 1	Experience Period 2
	Paid period:	11/1/20 - 10/31/21	11/1/19 - 10/31/20
	Approx. incurred period:	10/1/20 - 9/30/21	10/1/19 - 9/30/20
	Midpoint incurred period:	4/1/2021	4/1/2020
	Average enrollment:	786	773
	Number of months:	12	12
a.	Medical paid claims:	$8,806,164	$7,847,540
b.	Pooled claims Estimate: Period 1 = 2 Period 1 = 1	$642,654	$542,519
c.	Adjusted paid claims (a less b):	$8,163,510	$7,305,021
d.	Change in reserve (lagged claims):	1.000	1.000
e.	Normalize to Current Plan Year (Combined below)	1.000	1.000
	Plan Mix or Change Adj. Factor	1.000	1.000
	Network Change Adj. To Normalize to Current Plan	1.000	1.000
	Demographic Change Adjustment	1.000	1.000
	COVID Pent Up Demand Adj. to Normalize to Current Plan	1.000	1.000
f.	Adjusted paid claims (c x d x e):	$8,163,510	$7,305,021
g.	Trend adjustment factor:	1.131	1.214
h.	Trended adjusted paid claims (f x g):	$9,234,777	$8,866,877
i.	Add in individual claims to pooled level:	$500,000	$250,000
j.	Prospective Adjustment to Current Plan (Combined below)	1.021	1.039
	Prospective Plan Change Adjustment Factor (See Assumption g)	1.000	1.000
	Enrollment Change Adjustment Factor	1.021	1.039
	Prospective Demographic change adjustment factor	1.000	1.000
	COVID Pent Up Demand Adjustment factor	1.000	1.000
k.	Chronic health conditions/Other adjustment:	$0	$0
l.	Projected experience paid claims [(h + i) x j+ k]:	$9,940,057	$9,476,831
m.	Claim Fluctuation Margin (2%) + COVID Margin (3%):	1.050	1.050
n.	Projected experience paid claims with margin (l x m):	$10,437,059	$9,950,673
o.	Claim rate: PEPM:	$1,083.13	$1,032.66
	Monthly:	$869,755	$829,223
	Annual:	$10,437,059	$9,950,673
	Credibility:	50%	50%
	PEPM Blended Rate:	$1,057.89	

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2022 Effective Date

— Pharmacy Claims Projection —

1. Objective Develop funding rates which cover all pharmacy paid claims and associated administrative expenses.

2. Assumptions

a.	Rx trend:	6.5%
b.	Months of trend:	Exp. Period 1 = 21.0, Exp. Period 2 = 33.0 (From midpoint of experience period to midpoint of projection period)
c.	Enrollment:	Lagged 1 month
d.	Experience:	Per OptumRx Paid Claims Reports, Optum Rx Lag Table, and CBIZ Experience Reports
e.	Pooled claims:	Removed from 'Medical Claims Projection'
f.	Network change factor:	1.000
g.	Plan change factor:	Exp. Period 1 = 1.000, Exp. Period 2 = 1.000
h.	Rx management savings	
	Rx rebates / Other adj.:	($500,700) Exp Pd 1; ($531,600) Exp Pd 2 — *using an estimate of 18% of Pharmacy claims for rebates*
i.	Claim fluctuation margin:	5.0%
j.	Current enrollment:	803 (September 2021)

3. Algorithm

			Experience Period 1	Experience Period 2
		Paid period:	11/1/20 - 10/31/21	11/1/19 - 10/31/20
		Approx. incurred period:	10/1/20 - 9/30/21	10/1/19 - 9/30/20
		Midpoint incurred period:	4/1/2021	4/1/2020
		Average enrollment:	786	773
		Number of months:	12	12
a.	Pharmacy paid claims:		$2,439,867	$2,389,550
b.	Pooled claims: Removed from 'Medical Claims Projection'		$0	$0
c.	Adjusted paid claims (a less b):		$2,439,867	$2,389,550
d.	Change in reserve (lagged claims):		1.000	1.000
e.	Normalize to Current Plan Year (Combined below)		1.000	1.000
	Plan Mix or Change Adj. Factor		1.000	1.000
	Network Change Adj. To Normalize to Current Plan		1.000	1.000
	Demographic Change Adjustment		1.000	1.000
	COVID Pent Up Demand Adj. to Normalize to Current Plan		1.000	1.000
f.	Adjusted paid claims (c x d x e):		$2,439,867	$2,389,550
g.	Trend adjustment factor:		1.117	1.189
h.	Trended adjusted paid claims (f x g):		$2,724,131	$2,841,368
i.	Add in individual claims to pooled level:		$0	$0
j.	Prospective Adjustment to Current Plan (Combined below)		1.021	1.039
	Prospective Plan Change Adjustment Factor (See Assumption g)		1.000	1.000
	Enrollment Change Adjustment Factor		1.021	1.039
	Prospective Demographic change adjustment factor		1.000	1.000
	COVID Pent Up Demand Adjustment factor		1.000	1.000
k.	Rx rebates		($500,700)	($531,600)
l.	Projected experience paid claims [(h + i) x j + kl]:		$2,280,875	$2,421,951
m.	Claim Fluctuation Margin (2%) + COVID Margin (3%):		1.050	1.050
n.	Adj. Projected experience claims (l x m):		$2,394,919	$2,543,049
o.	Claim rate:	PEPM:	$248.54	$263.91
		Monthly:	$199,577	$211,921
		Annual:	$2,394,919	$2,543,049
		Credibility:	70%	30%
		PEPM Blended Rate:	$253.15	

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2022 Effective Date

— Medical/Pharmacy Rate Change —

1. Current Enrollment (September 2021)

	PPO	HMO	EPO	Total All Plans
Employee Only	87	70	49	206
Employee + 1	57	72	27	156
Employee + Family	136	220	85	441
Total	280	362	161	803
	35%	*45%*	*20%*	

2. Current 2021-22 Client Budget Rates

	PPO	HMO	EPO
Employee Only	$645.52	$667.60	$604.18
Employee + 1	$1,291.00	$1,335.18	$1,208.36
Employee + Family	$1,807.40	$1,869.28	$1,691.70

3. Total Funding Current Structure

	PPO	HMO	EPO	Total All Plans
PEPM Funding:	$1,341.26	$1,530.68	$1,279.66	$1,414.30
Monthly Funding:	$375,554	$554,107	$206,025	$1,135,685
Annual Funding:	$4,506,644	$6,649,279	$2,472,300	$13,628,223

4. Percent Change in Funding Rates

Current PEPM Funding:	$1,414.30
Projected PEPM Funding:	$1,458.21
Calculated Rate Action:	**3.10%**
Recommended Rate Action:	**3.10%**

	Medical Claims	Pharmacy Claims	Admin	Individual Stop Loss	Aggregate Stop Loss
	$1,057.89	$253.15	$53.75	$88.67	$4.74
	$1,311.04		$147.16		
% of Total:	*89.91%*		*10.09%*		

5. Projected 2022-23 Rates

	PPO	HMO	EPO
Employee Only	$665.56	$688.32	$622.94
Employee + 1	$1,331.08	$1,376.63	$1,245.87
Employee + Family	$1,863.51	$1,927.31	$1,744.22

	PPO	HMO	EPO	Total All Plans
Renewal PEPM funding:	$1,382.90	$1,578.20	$1,319.38	$1,458.21
Renewal Monthly funding:	$387,212	$571,308	$212,421	$1,170,941
Renewal Annual funding:	$4,646,545	$6,855,695	$2,549,049	$14,051,288

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2022 Effective Date

— Dental Claims Projection —

1. Objective — Develop funding rates which cover all dental paid claims and associated administrative expenses.

2. Assumptions

a. Dental trend: 3.1%

b. Months of trend: Exp. Period 1 = 22.0, Exp. Period 2 = 34.0 (From midpoint of experience period to midpoint of projection period)

c. Enrollment: Lagged 1 month

d. Experience: Per MetLife experience reports, MetLife Dental Lag Table, and Delta Dental Paid Claims Report

e. Pooled claims: Not applicable

f. Network change factor: 1.000

g. Plan change factor: Exp. Period 1 = 1.000, Exp. Period 2 = 1.000

h. Claim fluctuation margin: 2.0%

i. Current enrollment: 805 (October 2020)

3. Algorithm

		Experience Period 1	Experience Period 2
	Paid period:	10/1/20 - 9/30/21	10/1/19 - 9/30/20
	Approx. incurred period:	9/1/20 - 8/31/21	9/1/19 - 8/31/20
	Midpoint incurred period:	3/1/2021	3/1/2020
	Average enrollment:	807	791
	Number of months:	12	12
a. Dental paid claims:		$811,439	$765,945
b. Pooled claims:		$0	$0
c. Adjusted paid claims (a less b):		$811,439	$765,945
d. Change in reserve (lagged claims):		1.000	1.000
e. Network change factor:		1.000	1.000
f. Adjusted paid claims (c x d x e):		$811,439	$765,945
g. Trend adjustment factor:		1.058	1.090
h. Trended adjusted paid claims (f x g):		$858,151	$835,149
i. Add in individual claims to pooled level:		$0	$0
j. Plan change adjustment factor:		1.000	1.000
k. Enrollment change adjustment factor:		0.998	1.017
l. Other adjustment:		$0	$0
m. Projected experience paid claims [(h + i) x j x k + l]:		$856,378	$849,751
n. Claim fluctuation margin:		1.020	1.020
o. Projected experience paid claims with margin (m x n):		$873,505	$866,746
p. Claim rate:	PEPM:	$90.42	$89.73
	Monthly:	$72,792	$72,229
	Annual:	$873,505	$866,746
	Credibility:	80%	20%
	PEPM Blended Rate:	$90.29	

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2022 Effective Date

— Dental Rate Change —

1. Current Enrollment (October 2020)

	Dental	Total Dental
Employee Only	182	182
Employee + 1	172	172
Employee + Family	451	451
Total	805	805
	100%	

2. Current 2021-22 Client Budget Rates

	Dental
Employee Only	$37.80
Employee + 1	$75.10
Employee + Family	$121.94

3. Total Funding Current Structure

	Dental	Total Dental
PEPM Funding:	$92.91	$92.91
Monthly Funding:	$74,792	$74,792
Annual Funding:	$897,501	$897,501

4. Percent Change in Funding Rates

Current PEPM Funding*:	$92.91
Projected PEPM Funding:	$93.84
Calculated Rate Action:	**1.00%**
Recommended Rate Action:	**1.00%**

Dental Claims	Dental Admin
$90.29	$3.55
$90.29	$3.55
96%	*4%*

5. Projected 2022-23 Rates

	Dental
Employee Only	$38.18
Employee + 1	$75.85
Employee + Family	$123.16

	Dental	Total Dental
Renewal PEPM funding:	$93.84	$93.84
Renewal Monthly funding:	$75,537	$75,537
Renewal Annual funding:	$906,447	$906,447

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2022 Effective Date

— Vision Claims Projection —

1. Objective Develop funding rates which cover all vision paid claims and associated administrative expenses.

2. Assumptions

a.	Vision trend:	1.7%
b.	Months of trend:	Exp. Period 1 = 22.0, Exp. Period 2 = 34.0 (From midpoint of experience period to midpoint of projection period)
c.	Enrollment:	Lagged 1 month
d.	Experience:	Per Avesis claims reports
e.	Pooled claims:	Not applicable
f.	Network change factor:	1.000
g.	Plan change factor:	Exp. Period 1 = 1.000, Exp. Period 2 = 1.000 (No proposed plan changes)
h.	Claim fluctuation margin:	2.0%
i.	Current enrollment:	789 (October 2020)

3. Algorithm

			Experience Period 1	Experience Period 2
		Paid period:	10/1/20 - 9/30/21	10/1/19 - 9/30/20
		Approx. incurred period:	9/1/20 - 8/31/21	9/1/19 - 8/31/20
		Midpoint incurred period:	3/1/2021	3/1/2020
		Average enrollment:	793	782
		Number of months:	12	12
a.	Vision paid claims:		$103,227	$80,920
b.	Pooled claims:		$0	$0
c.	Adjusted paid claims (a less b):		$103,227	$80,920
d.	Change in reserve (lagged claims):		1.000	1.000
e.	Network change factor:		1.000	1.000
f.	Adjusted paid claims (c x d x e):		$103,227	$80,920
g.	Trend adjustment factor:		1.031	1.049
h.	Trended adjusted paid claims (f x g):		$106,467	$84,878
i.	Add in individual claims to pooled level:		$0	$0
j.	Plan change adjustment factor:		1.000	1.000
k.	Enrollment change adjustment factor:		0.996	1.008
l.	Other adjustment:		$0	$0
m.	Projected experience paid claims [(h + i) x j x k + l]:		$105,997	$85,592
n.	Claim fluctuation margin:		1.020	1.020
o.	Projected experience paid claims with margin (m x n):		$108,117	$87,304
p.	Claim rate:	PEPM:	$11.42	$9.22
		Monthly:	$9,010	$7,275
		Annual:	$108,117	$87,304
		Credibility:	80%	20%
		PEPM Blended Rate:	$10.98	

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2022 Effective Date

— Vision Rate Change —

1. Current Enrollment (October 2020)

	Vision	Total Vision
Employee Only	195	195
Employee + Family	594	594
Total	789	789
	100%	

2. Current 2021-22 Client Budget Rates

	Vision
Employee Only	$5.04
Employee + Family	$14.30

3. Total Funding Current Structure

	Vision	Total Vision
PEPM Funding:	$12.01	$12.01
Monthly Funding:	$9,477	$9,477
Annual Funding:	$113,724	$113,724

4. Percent Change in Funding Rates

Current PEPM Funding:	$12.01
Projected PEPM Funding:	$11.93
Calculated Rate Action:	**-0.68%**
Recommended Rate Action:	**0.00%**

Vision Claims	Vision Admin
$10.98	$0.95
$10.98	$0.95

5. Projected 2022-23 Rates

	Vision
Employee Only	$5.04
Employee + Family	$14.30

	Vision	Total Vision
Renewal PEPM funding:	$12.01	$12.01
Renewal Monthly funding:	$9,477	$9,477
Renewal Annual funding:	$113,724	$113,724

Section 3: Fixed Costs (Did not Incorporate PCORI Fee)

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2022 Effective Date

— Fixed Cost Estimates —

Fixed Costs (PEPM)

	2021-2022	2022-2023	% Change	Annual 2022-2023
Subscribers	803	803		
Administration fee	$51.25	$52.79	3.0%	$508,684
EPO network fee ($2.00 PMPM)	$0.96	$0.96	0.0%	$9,264
Individual stop loss - PPO [1]	$81.35	$88.67	9.0%	
Individual stop loss - HMO and EPO [1]	$81.35	$88.67	9.0%	
Individual stop loss - Composite	$81.35	$88.67	9.0%	$854,424
Aggregate stop loss - PPO [2]	$5.10	$5.10	0.0%	
Aggregate stop loss - HMO and EPO [2]	$4.55	$4.55	0.0%	
Aggregate stop loss - Composite	$4.74	$4.74	0.0%	$45,692
Total fixed costs — PPO	$137.70	$146.56	6.4%	
Total fixed costs — HMO and EPO	$137.15	$146.01	6.5%	
Total fixed costs — Composite	$138.30	$147.16	6.4%	$1,418,064
Dental subscribers	805	805		
Dental administration fee	$3.55	$3.55	0.0%	$34,293
Vision subscribers	789	789		
Vision administration fee	$0.95	$0.95	0.0%	$8,995

1 Assumes $250,000 ISL deductible, 12/24 contract and no lasers

2 125% aggregate corridor

PCORI fees are estimated based on the most recent rate available. It is assumed that the plan is not subject to ERISA and the PCORI fee could optionally be incorporated into the funding rates. It is generally not always incorporated into funding rates as the default option, so both scenarios will be shown. In general, it should be assumed that PCORI fees are not included in a given set of funding rates unless specified.

Estimated PCORI Fees (PMPY)

	2021-2022	Estimated 2022-2023	Estimated % Change	Annual 2022-2023
Subscribers	803	803		
Members	2,420	2,420		
Estimated PCORI fee	$2.79	$2.85	2.0%	$6,887

Section 4: Claims and Enrollment Data Plus COVID Adjustment Support for Medical

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2022 Effective Date

— Claims and Enrollment Data —

* Paid claims basis

		Med/Rx Subs	Dental Subs	Vision Subs	Medical Claims	Pharmacy Claims	Capitation, Blue Card, Value Based Services, Other	Total Claims	Total PEPM Lagged 1 month	Dental Claims	Dental PEPM Lagged 1 month	Vision Claims	Vision PEPM Lagged 1 month
Sep-19			774	767									
Oct-19		753	772	768						$82,129	$106	$7,804	$10
Nov-19		756	775	768	$696,610	$155,861	$11,399	$863,870	$1,147	$59,480	$77	$4,952	$6
Dec-19		767	786	779	$462,980	$170,922	$9,773	$643,675	$851	$119,717	$154	$5,978	$8
Jan-20		770	788	781	$577,665	$143,217	$9,656	$730,538	$952	$65,325	$83	$5,978	$8
Feb-20		772	790	783	$522,373	$163,488	$9,682	$695,543	$903	$50,487	$64	$5,978	$8
Mar-20	Experience Period 2	779	796	787	$722,759	$197,946	$10,873	$931,579	$1,207	$43,759	$55	$5,978	$8
Apr-20		783	803	795	$416,106	$166,781	$10,546	$593,433	$762	$29,262	$37	$2,174	$3
May-20		782	802	794	$558,418	$157,462	$9,671	$725,551	$927	$21,671	$27	$1,301	$2
Jun-20		776	796	788	$956,626	$194,014	$9,740	$1,160,379	$1,484	$55,834	$70	$6,868	$9
Jul-20		776	808	792	$1,166,709	$207,074	$9,598	$1,383,381	$1,783	$84,137	$106	$10,080	$13
Aug-20		774	804	787	$704,455	$216,461	$9,769	$930,685	$1,199	$68,500	$85	$14,170	$18
Sep-20		782	807	787	$464,691	$338,656	$10,198	$813,546	$1,051	$85,645	$107	$9,663	$12
Oct-20		781	806	787	$477,398	$277,669	$9,842	$764,908	$978	$53,067	$66	$8,172	$10
Nov-20		780	804	787	$469,118	$209,763	$9,862	$688,743	$882	$54,890	$68	$6,916	$9
Dec-20		781	803	787	$602,756	$182,503	$9,944	$795,202	$1,019	$74,677	$93	$7,554	$10
Jan-21		785	804	787	$614,170	$196,379	$9,872	$820,421	$1,050	$46,518	$58	$7,224	$9
Feb-21		782	805	790	$575,155	$221,150	$9,995	$806,301	$1,027	$67,430	$84	$8,838	$11
Mar-21	Experience Period 1	780	802	819	$1,184,107	$190,163	$9,612	$1,383,882	$1,770	$92,142	$114	$8,494	$11
Apr-21		781	797	784	$895,970	$195,177	$9,973	$1,101,120	$1,412	$49,704	$62	$6,546	$8
May-21		781	800	785	$558,149	$200,286	$9,711	$768,146	$984	$49,602	$62	$4,626	$6
Jun-21		789	808	792	$663,136	$193,376	$9,812	$866,323	$1,109	$77,348	$97	$8,055	$10
Jul-21		795	821	803	$560,169	$195,932	$9,966	$766,067	$971	$73,986	$92	$13,510	$17
Aug-21		799	823	802	$885,938	$216,852	$9,925	$1,112,715	$1,400	$96,759	$118	$11,057	$14
Sep-21		803	828	807	$809,001	$216,636	$8,352	$1,033,990	$1,294	$75,316	$92	$12,236	$15
Oct-21		803			$869,813	$221,651	$11,655	$1,103,119	$1,374				

	Med/Rx Subs	Dental Subs	Vision Subs	Medical Claims	Pharmacy Claims	Cap & Other Claims	Total Claims	Total PEPM	Dental Claims	Dental PEPM	Vision Claims	Vision PEPM
				* Unadjusted (Includes claimants exceeding $250K) *								
Exp. Period 2	773	791	782	$7,726,792	$2,389,550	$120,748	$10,237,089	**$1,104**	$765,945	**$81**	$80,920	**$9**
Exp. Period 1	786	807	793	$8,687,484	$2,439,867	$118,680	$11,246,031	**$1,192**	$811,439	**$84**	$103,227	**$11**
% Change	*1.8%*	*2.0%*	*1.3%*	*12.4%*	*2.1%*	*-1.7%*	*9.9%*	*7.9%*	*5.9%*	*3.9%*	*27.6%*	*25.9%*
				** Adjusted (Claimants exceeding $250K removed) **								
Exp. Period 2	773			$7,434,273	$2,389,550	$120,748	$9,944,570	**$1,073**				
Exp. Period 1	786			$8,544,830	$2,439,867	$118,680	$11,103,377	**$1,177**				
% Change	*1.8%*			*14.9%*	*2.1%*	*-1.7%*	*11.7%*	*9.7%*				

— High Cost Claimants >$250,000 —

Experience Period 1

* Claims paid Nov 2020 through Oct 2021

	Claims	ISL Trigger	> ISL
Claimant 1	$380,642	$250,000	$130,642
Claimant 2	$262,012	$250,000	$12,012
Claimant 3	$237,000	$250,000	$0
Claimant 4	$144,018	$250,000	$0
Claimant 5	$109,110	$250,000	$0
Claimant 6	$97,558	$250,000	$0
Claimant 7	$89,772	$250,000	$0
Claimant 8	$78,455	$250,000	$0
Total	$1,398,567		$142,654

Experience Period 2

* Claims paid Nov 2019 through Oct 2020

	Claims	ISL Trigger	> ISL
Claimant 1	$542,519	$250,000	$292,519
Claimant 2	$212,934	$250,000	$0
Claimant 3	$191,348	$250,000	$0
Claimant 4	$186,769	$250,000	$0
Claimant 5	$175,446	$250,000	$0
Claimant 6	$167,419	$250,000	$0
Claimant 7	$139,432	$250,000	$0
Claimant 8	$125,658	$250,000	$0
Total	$1,741,526		$292,519

Rx Rebates

Q3 2020	$133,529	
Q4 2020	$125,975	
Q1 2021	$168,260	
Q2 2021	$133,310	
	$561,074	Anticipated Annual Rx Rebates
	80%	Percent used as benchmark
	$448,859.20	Annual Rx Rebates Amnt used as benchmark
	$2,439,867	Annual Pharmacy Claims used as basis
	18.000%	Percent of Rx claims used in projection model for Rebate Estimation

For reasonableness check $47.56

City of Surprise

Final Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2022 Effective Date

— Claims and Enrollment Data —

Paid Month		HMO	EPO	PPO	HMO Plan Value	EPO Plan Value	PPO Plan Value	Blended Plan Value	Plan Value Decrement Factor	Medical Claims	Pharmacy Claims	Capitation, Blue Card, Value Based Services, Other	Adjusted Medical Claims	Adjusted Pharmacy Claims	Adjusted Capitation, Blue Card, Value Based Services, Other
Sep-19		369	98	285	96.09%	96.00%	94.47%	95.46%	0.996	$840,817	$133,900	$11,050			
Oct-19	Experience Period 2	370	98	285	96.09%	96.00%	94.47%	95.46%	0.996	$891,189	$164,721	$9,651	$887,662	$164,070	$9,613
Nov-19		372	98	286	96.09%	96.00%	94.47%	95.47%	0.996	$699,384	$156,481	$11,445	$696,610	$155,861	$11,399
Dec-19		373	104	290	96.09%	96.00%	94.47%	95.46%	0.996	$464,825	$171,603	$9,811	$462,980	$170,922	$9,773
Jan-20		371	114	285	95.42%	95.91%	94.18%	95.03%	1.001	$579,966	$143,787	$9,695	$577,665	$143,217	$9,656
Feb-20		370	116	286	95.42%	95.91%	94.18%	95.03%	1.001	$522,087	$163,398	$9,676	$522,373	$163,488	$9,682
Mar-20		370	123	286	95.42%	95.91%	94.18%	95.04%	1.000	$722,368	$197,839	$10,868	$722,759	$197,946	$10,873
Apr-20		373	125	285	95.42%	95.91%	94.18%	95.05%	1.000	$415,915	$166,705	$10,541	$416,106	$166,781	$10,546
May-20		372	125	285	95.42%	95.91%	94.18%	95.05%	1.000	$558,190	$157,398	$9,667	$558,418	$157,462	$9,671
Jun-20		370	121	285	95.42%	95.91%	94.18%	95.04%	1.000	$956,229	$193,933	$9,736	$956,626	$194,014	$9,740
Jul-20		387	121	268	95.42%	95.91%	94.18%	95.07%	1.000	$1,166,160	$206,976	$9,594	$1,166,709	$207,074	$9,598
Aug-20		385	121	268	95.42%	95.91%	94.18%	95.07%	1.000	$704,325	$216,421	$9,767	$704,455	$216,461	$9,769
Sep-20		386	126	270	95.42%	95.91%	94.18%	95.07%	1.000	$464,601	$338,591	$10,196	$464,691	$338,656	$10,198
Oct-20	Experience Period 1	380	127	274	95.42%	95.91%	94.18%	95.07%	1.000	$477,323	$277,626	$9,840	$477,398	$277,669	$9,842
Nov-20		382	130	268	95.42%	95.91%	94.18%	95.08%	1.000	$469,014	$209,716	$9,860	$469,118	$209,763	$9,862
Dec-20		380	133	268	95.42%	95.91%	94.18%	95.08%	1.000	$602,692	$182,483	$9,943	$602,756	$182,503	$9,944
Jan-21		382	134	269	95.42%	95.91%	94.18%	95.08%	1.000	$614,119	$196,363	$9,871	$614,170	$196,379	$9,872
Feb-21		378	135	269	95.42%	95.91%	94.18%	95.08%	1.000	$575,113	$221,134	$9,995	$575,155	$221,150	$9,995
Mar-21		375	137	268	95.42%	95.91%	94.18%	95.08%	1.000	$1,184,012	$190,147	$9,611	$1,184,107	$190,163	$9,612
Apr-21		375	135	271	95.42%	95.91%	94.18%	95.07%	1.000	$895,916	$195,165	$9,972	$895,970	$195,177	$9,973
May-21		374	137	270	95.42%	95.91%	94.18%	95.08%	1.000	$558,083	$200,262	$9,710	$558,149	$200,286	$9,711
Jun-21		376	141	272	95.42%	95.91%	94.18%	95.08%	1.000	$663,077	$193,358	$9,811	$663,136	$193,376	$9,812
Jul-21		366	157	272	95.42%	95.91%	94.18%	95.09%	1.000	$560,136	$195,921	$9,965	$560,169	$195,932	$9,966
Aug-21		366	158	275	95.42%	95.91%	94.18%	95.09%	1.000	$886,001	$216,867	$9,926	$885,938	$216,852	$9,925
Sep-21		362	161	280	95.42%	95.91%	94.18%	95.09%	1.000	$809,038	$216,646	$8,353	$809,001	$216,636	$8,352
Oct-21		361	163	277	95.42%	95.91%	94.18%	95.09%	1.000	$869,813	$221,651	$11,655	$869,859	$221,663	$11,655

CBIZ
COVID
— Executive Summary —

What follows is a summary supporting the Margin incorporated within the funding model for COVID plan expenses. Such expenses include Tests, Vaccines, and Treatment.

COVID + Fluctuation Margins:
- Medical = 3%
- Pharmacy = 3%

3% COVID + 2% Fluctuation Margin

Part 1: COVID Tests, Treatment, and Vaccine Cost Impact

		Additional Claims For COVID					
		Optimistic	Base Line				
	Adjustment to Claims	No Adjustment for COVID But Includes a 2% Claim Fluctuation Margin	3%	2%	1%	0%	5%
a.	Claim Rate PEPM:	$1,272.86	$1,311.04	$1,298.32	$1,285.59	$1,272.86	$1,336.50
b.	Enrollment:	803	803	803	803	803	803
c. = a x b	Monthly Claims:	$1,022,106	$1,052,769	$1,042,548	$1,032,327	$1,022,106	$1,073,211
d. = c x 12	Annual Claims:	$12,265,266	$12,633,224	$12,510,571	$12,387,919	$12,265,266	$12,878,529
e.	Annual Added COVID 19 Cost:	$0	$367,958	$245,305	$122,653	$0	$613,263
	Added Cost PEPM	$0	$38.19	$25.46	$12.73	$0.00	$63.64
f. = e /l	Est. # of Hospitalizations Removing Central Tests & Vaccine Costs	0.00	10.97	6.06	1.15	-3.75	20.78
g.	Total Est. Members	2,233	2,233	2,233	2,233	2,233	2,233
h. = f /g	Hospital Frequency:[1]	0.00%	0.49%	0.27%	0.05%	-0.17%	0.93%
	Per 100,000	0.0	491.13	271.4	51.7	-168.0	930.5
i. (Difference in Annual Added cost relative to Base Line)	Est. Premium Shortfall or (Overstatement)	**-$367,958**	**$0**	**-$122,653**	**-$245,305**	**-$367,958**	**$245,305**
j.	Current Premium Rate PEPM	$1,414.30	$1,414.30	$1,414.30	$1,414.30	$1,414.30	$1,414.30
k.	Est. Premium Shortfall Percentage Relative to Base Line	-2.70%	0.00%	-0.90%	-1.80%	-2.70%	1.80%

		Low (Under 5 Days)	Central (5 - 10 Days)	High (ICU)	
	Cost of Hospitalization and Other Services	**$15,000**	**$30,000**	**$175,000**	=> High could be much higher
l.	Input Base Line Hospital Cost Estimate[2]		$25,000		

1 The frequency of a hospitalization is a function age, location, co-morbidities, and other factors. This is being assessed by CBIZ actuarial. The benchmark associated hospitalization using national data to date is in the range of 50 to 300 admissions per 100,000. No adjustments were made based on the demographics and other information associated with the valuation group.

2 The charges depend on the severity of the condition. At the low end, a benchmark is $15,000. The Central is $30,0000. The High End (ICU) is $175,000.

Part 2: Tests & Vaccines

Vaccines

2021

	Members	Vaccines Frequency	Avg. Cost Est.	Annual Total	Premium Impact
Central	2,233	35%	$45.00	$35,170	0.26%
Low	2,233	15%	$45.00	$15,073	0.11%
High	2,233	50%	$45.00	$50,243	0.37%

Testing

2021

	Members	Testing Frequency	Avg. Cost Est.	Annual Total	Premium Impact
Central	2,233	35%	$75.00	$58,616	0.43%
Low	2,233	15%	$75.00	$25,121	0.18%
High	2,233	50%	$75.00	$83,738	0.61%

Part 3: Delay in Non Emergency Services

The delay in non-emergency services, including wellness and diagnosis screenings, is due in part to limited health care resources coupled with the fear of contracting the COVID 19 virus. This pent up demand will eventually be released possibly later in 2020 or into 2021. The plan year being evaluated is important. See the next page for the assessment of the impact of this delay.

Delay in Services See Next Page

Section 5: Supporting Documents

Health Benefits Trust Fund

March 2, 2022

SELF INSURED PROGRAM

Established by City Council May 2010

- How insurance program is funded
- Medical, dental, vision paid by employee and employer premiums

SELF INSURED PROGRAM

Health Benefits Trust

- Established by City Council August 2011
  - Board of Trustees
  - Accounts for activity of the self insured program
  - Restricted for - medical, dental, vision, and wellness
  - Adverse claims reserve
    - 25% of expected claims

BACKGROUND

- Benefits Consultant
  - Provides actuarial assumptions – claim projections
  - Review claim activity in accordance with insurance plan
- Blue Cross Blue Shield – Insurance network and administers claims processing and payments
- City Staff
  - HR and Finance
  - Budget, accounting, establish rates, etc.
  - Level of benefits offered
- Trust Fund Board
  - Ensure Financial Stability

CURRENT PROCESS

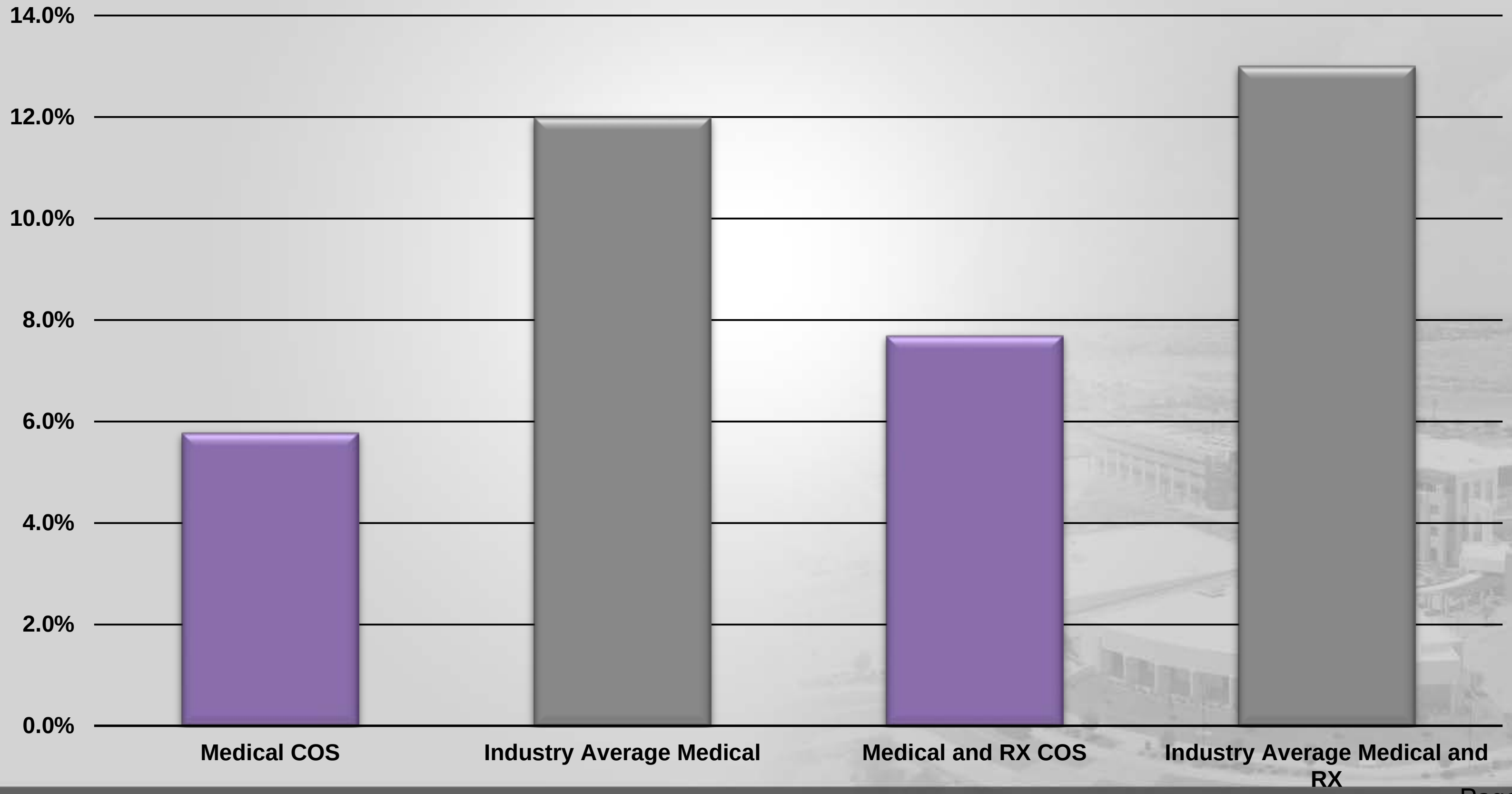
Budget “appropriated” amount - transfer only what is needed to pay claims incurred

- $14.9M budget - $13M transferred

Goal: Maintain fund balance
“Break even” each year

100% of employee contributions will be transferred

Historical Trend



Budget Assumptions

- 3.1% Increase for Medical Expenses
- 0% Increase for Dental Expenses
- 0% Increase for Vision Expenses
- Other Revenue
  - Pharmacy Rebates
  - COBRA Reimbursements
  - Interest

Financial Position of the Trust

	FY2019	FY2020	FY2021	FY2022*	FY2023
Beginning Balance	$5.7M	$6.4M	$6.8M	$7.0M	$7.0M
Total Sources	13.2M	12.8M	13.0M	14.9M	17.4M
Total Uses	(12.5M)	(12.4M)	(12.8M)	(14.9M)	(17.4M)
Ending Balance	**$6.4M**	**$6.8M**	**$7.0M**	**$7.0M**	**$7.0M**
Required Reserve	2.8M	2.6M	3.1M	3.3M	3.9M
Unrestricted	$3.6M	$4.2M	$3.9M	$3.7M	$3.1M

***Estimate**

SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: March 2, 2022
Submitting Department: Legal
Staff Recommendations:

Contact Person: Digger Oster
District: Citywide

Consent: No | Regular: Yes | Public Hearing: No | Report/Discussion: No

Agenda Wording:
Consideration and action pertaining to approval of the FY2023 Workers' Compensation Plan Budget.

Motion:
I move to approve the recommended FY2023 Workers' Compensation Plan Funding.

Background:
Pursuant to Article V, Section H of the Health Benefits Trust Agreement: "In furtherance of the purpose of the Trust, as set forth in this Trust Agreement, the Board shall: H. Provide input and recommendations to the City Council, along with City staff and consultants, regarding Trust funding levels in order to establish and maintain, from contributions or other appropriations, reserves necessary to provide stability and security of the Trust, in accordance with sound actuarial and underwriting principles."

Objective Analysis:

Policy Compliant:
This item is compliant with the Comprehensive Financial Management Policies.

Financial Impact:
This approves the budget which is estimated to adequately fund the Workers Compensation Fund.

Budget Impact:
Approving this item will set a budget for the Workers Compensation Fund. The sources total $XX and is based on the number of employees hired, the employees' risk code, and the salary for the employees. The uses total is $XX, to include funding for claims, taxes, software, professional services, general insurance administration, and personnel.

FTE Impact:

ATTACHMENTS:

1. March 2022 WC Budget Setting

SURPRISE
ARIZONA

FY2023
Workers Compensation Overview

Health Benefits Trust Fund Board

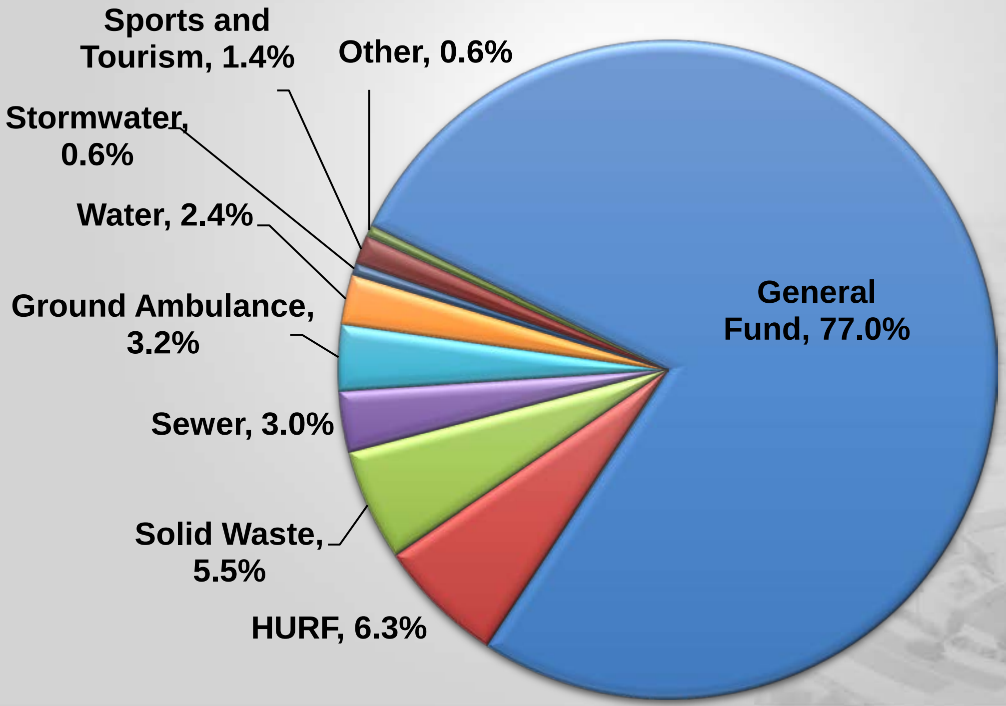
March 2, 2022

Worker’s Compensation Overview

- Review financial position of the trust
- Review program performance
- Review program projections
- Review FY2023 contribution rates

Financial Position of the WC Trust

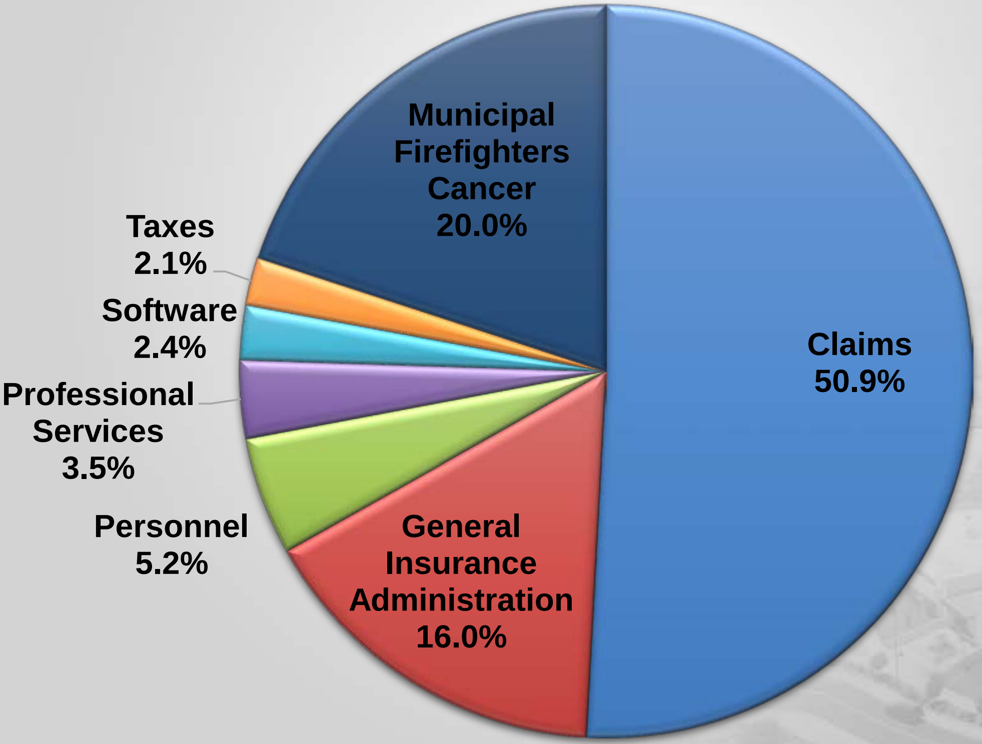
Ongoing Sources



FY22 Budget of $1,985,100

Financial Position of the WC Trust

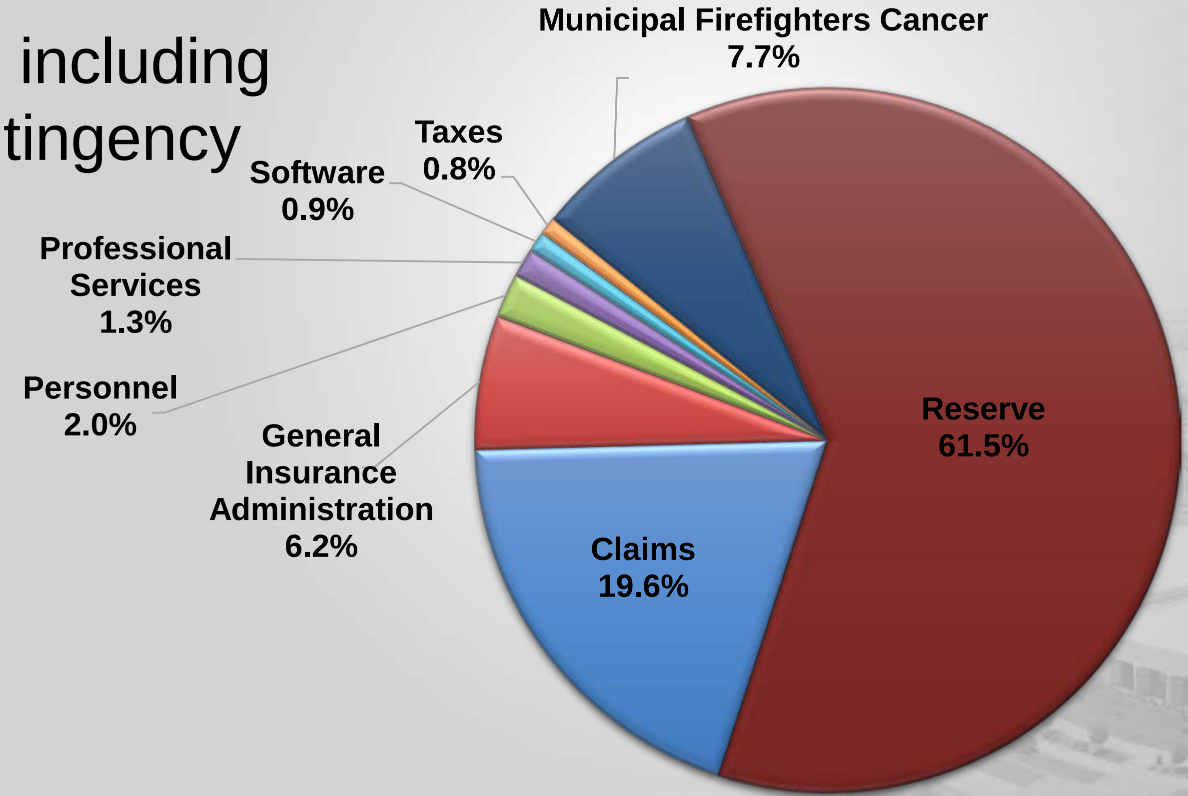
Ongoing Uses



FY22 Budget of $1,877,600

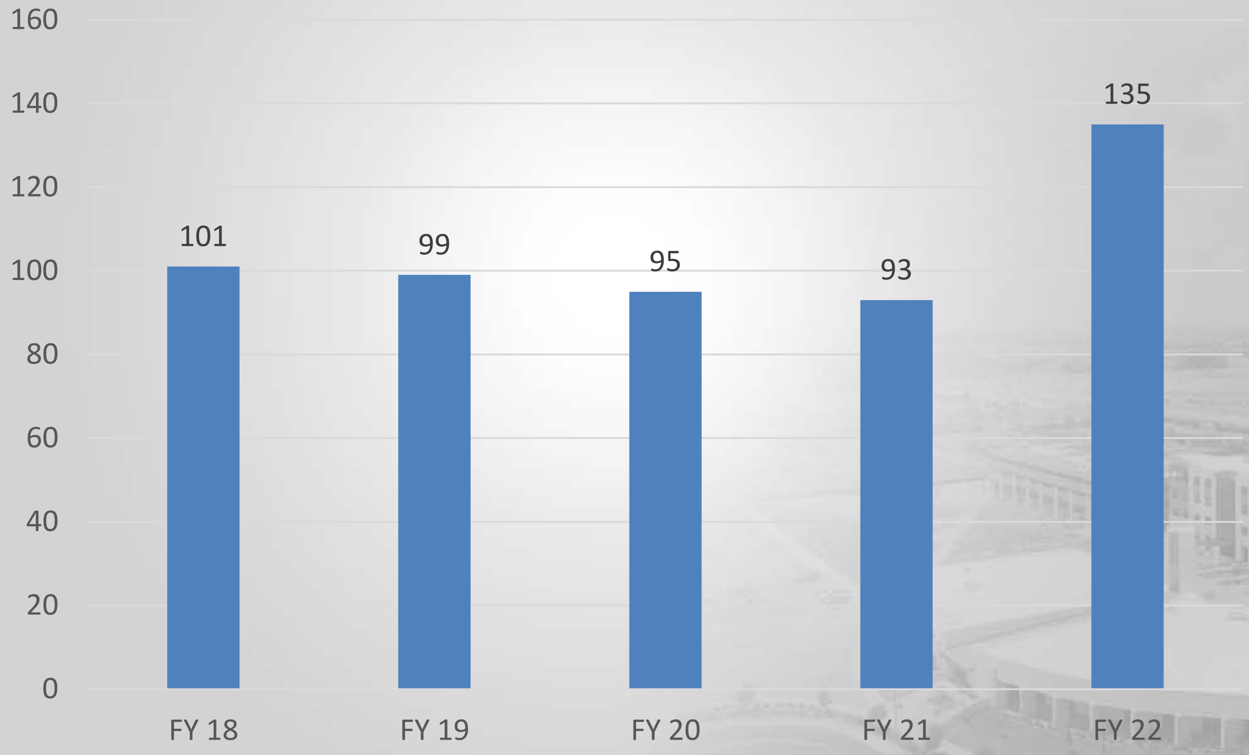
Financial Position of the WC Trust

Uses including Contingency

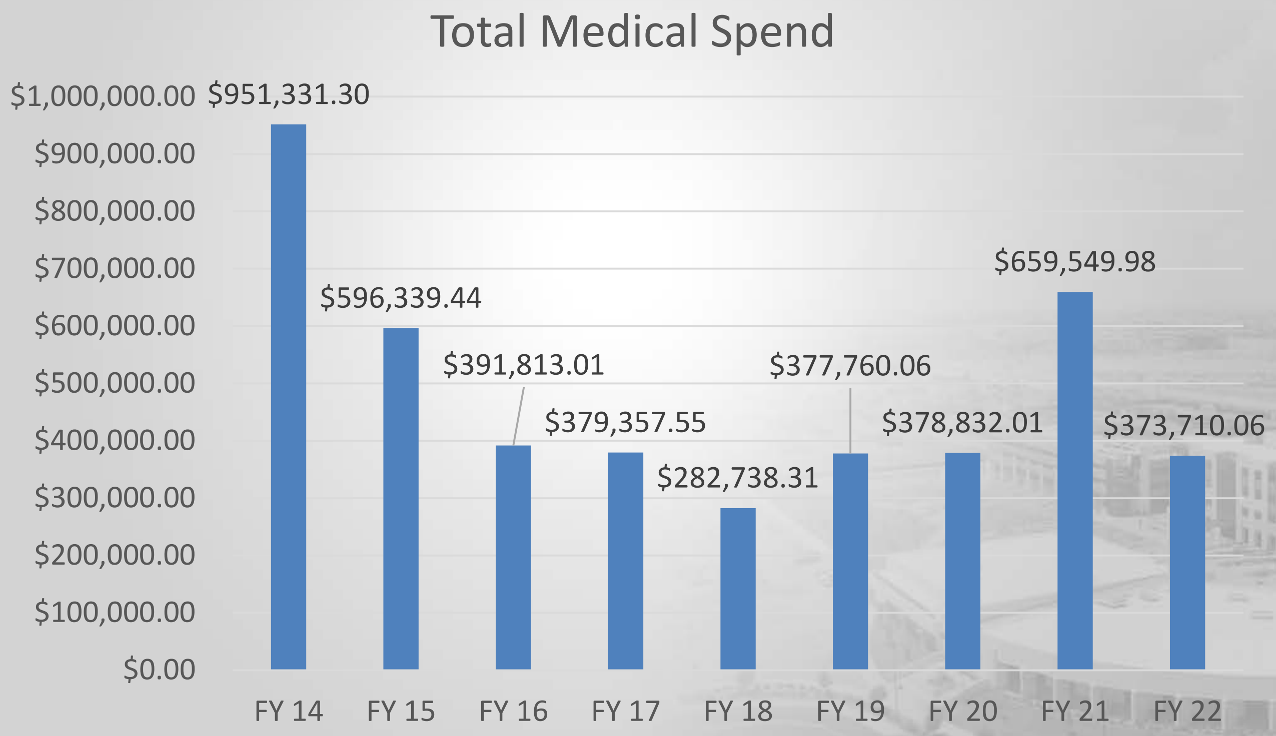


FY22 Budget of $4,877,600

Claims Experience



Review of WC Program Performance



Review of WC Program Projections

- Excess insurance premiums are projected to increase to approximately $350,000 for FY23.
- For FY 22, excess premiums are calculated on a rate of $0.31 per $100 of payroll. The City anticipates a modest rate increase and an overall premium increase for FY23.

Review of WC Contribution Rates

- **Entering the fifth year of the self-insured WC Program, it is recommended to assess Workers' Compensation Program premiums in the amount of $2,350,000 for FY23, using an updated departmental contribution calculation for FY23.**

SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: March 2, 2022

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Internal

Staff Recommendations: None

Consent: No   Regular: No   Public Hearing: No   Report/Discussion: No

Agenda Wording:

Legislative Update

Motion:

NONE - Discussion only.

Background:

Discussion regarding a legislative update.

Objective Analysis:

Policy Compliant:

Financial Impact:

N/A

Budget Impact:

N/A

FTE Impact:

ATTACHMENTS: